

Lance J.M. Steinhart

Attorney At Law
6455 East Johns Crossing
Suite 285
Duluth, Georgia 30097

Also Admitted in New York
and Maryland

September 28, 2000

VIA OVERNIGHT MAIL

Mr. David Waddell
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 32743-0505

Re: 360networks (USA) inc.

Dear Mr. Waddell:

Enclosed please find for filing an original and thirteen (13) copies of 360networks (USA) inc.'s Application for a Certificate of Public Convenience and Necessity to Provide Competing Local Exchange Telecommunications Services in Tennessee. I have also enclosed a check in the amount of \$25.00 payable to the "Tennessee Regulatory Authority" for the filing fee.

I have also enclosed an extra copy of this letter to be date stamped and returned to me in the enclosed, self addressed, postage prepaid envelope. If you have any questions or if I may provide you with any additional information, please do not hesitate to contact me. Thank you.

Respectfully submitted,


Lance J.M. Steinhart

Attorney for 360networks (USA) inc.

Enclosures

cc: David Love (w/enc)

RECEIVED
SEP 29 2 00 PM '00
TELEPHONE: (770) 232-9200
FACSIMILE: (770) 232-9208
EXECUTIVE SECRET

00-20860

**STATE OF TENNESSEE
BEFORE THE TENNESSEE PUBLIC SERVICE COMMISSION**

In re:)
)
Application of)
360networks (USA) inc.)
)
For a Certificate of Public)
Convenience and Necessity to)
Provide Competing)
Local Exchange And Interexchange)
Telecommunications Services)

DOCKET NO.

00-00860

**APPLICATION OF 360NETWORKS (USA) INC. FOR AUTHORITY
TO PROVIDE COMPETING LOCAL EXCHANGE & INTEREXCHANGE SERVICE**

360networks (USA) inc. ("360networks" or "Applicant"), pursuant to T.C.A. §§ 65-2-103, 65-2-102 and 65-4-201; Section 253 of the Federal Telecommunications Act of 1996; and Section 1220-4-8-.04 of the Rules of the Tennessee Public Service Commission Division of Public Utilities, respectfully submits this Application for Authority to Provide Competing Local Exchange and Interexchange Telecommunications Services ("Application") in the State of Tennessee.

Applicant was granted a Certificate of Public Convenience and Necessity to Provide Facilities-Based Interexchange Services in Tennessee in Docket No. 99-00556 by Order dated December 3, 1999 (issued in the name of Worldwide Fiber Networks, Inc).

360networks intends to offer local exchange service to customers throughout the state. Should its Application be granted, 360networks plans to commence offering service after the establishment of the appropriate and necessary resale and interconnection arrangements with the incumbent Local Exchange Carriers ("LECs"). Initially, Applicant will be negotiating an interconnection/resale agreement with BellSouth to provide local service.

Approval of this Application will promote the public interest by increasing the level of competition in the Tennessee telecommunications market. Ultimately, competition will compel all telecommunications service providers to operate more efficiently and pass the resultant cost savings on to consumers. In addition, as a result of competition, the overall quality of local exchange service will improve. Applicant is willing and able to adhere to all applicable TRA policies, rules and orders.

In support of its Application, 360networks states as follows:

I. Introduction

1. The name and address of the Applicant are:
360networks (USA) inc.
143 Union Boulevard, Suite 300
Lakewood, Colorado 80228

The following is a list of applicant's corporate officers and directors:

Officer

Jerry Tharp	President
Ronald Stevenson	Executive Vice President & Secretary
Bruce Tinney	Vice President, Business Development
Patrick Summers	Vice President, General Counsel
David Love	Senior Vice President

Directors

David Lede
Clifford Lede
Ronald Stevenson
Jerry Tharp

The above-named individuals can be reached at:
360networks (USA) inc.
143 Union Boulevard, Suite 300, Lakewood, Colorado 80228
Telephone: (303) 854-5000

360networks (USA) inc. is authorized to provide local exchange service in Iowa, Kentucky, Montana, New York, Oregon, Rhode Island, Utah, Wisconsin, Wyoming and Washington D.C; and is authorized to provide interexchange service in Alabama, Arizona, California, Colorado, Connecticut, Delaware, Florida, Georgia, Indiana, Illinois, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Mexico, New York, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, Wisconsin, and Wyoming. 360networks is in the process of applying for authorization to provide resold and facilities-based interexchange and local exchange service throughout the United States. No such applications have been denied. The Applicant is not currently providing service.

The name, address and telephone number of a Tennessee contact person responsible for and knowledgeable about Applicant's operations are:

David Love, Senior Vice President
360networks (USA) inc.
143 Union Boulevard, Suite 300
Lakewood, Colorado 80228
(303) 854-5000

The name, address and telephone number of a person responsible for repair and maintenance (customer service) are:

Terry Bate, Director of Client Services
360networks (USA) inc.
143 Union Boulevard, Suite 300
Lakewood, Colorado 80228
(303) 854-5000
(877) 735-7366 (toll-free customer service)

2. All correspondence, notices, inquiries and other communications regarding this Application should be directed to:

Lance J.M. Steinhart
Attorney at Law
6455 East Johns Crossing
Suite 285
Duluth, Georgia 30097
Telephone: 770/232-9200
Facsimile: 770/232-9208

3. In support of this Application, the following exhibits are attached hereto:

Exhibit A - 360networks's Certificate of Incorporation filed with the Secretary of State for the State of California and Bylaws;
Exhibit B - 360networks's Certificate of Authority to Operate in Tennessee as a Foreign Corporation;
Exhibit C - 360networks, Inc.'s Audited Financial Statements for the years ended December 31, 1998 and December 31, 1999;
Exhibit D - Biographies of selected 360networks management.
Exhibit E – Corporate Organization Chart
Exhibit F – IntraLATA Presubscription Implementation Plan
Exhibit G – Small and Minority-Owned Telecommunications Business Participation Plan
Exhibit H – Pre-Filed Testimony
Exhibit I - Numbering Issues & Tennessee Specific Operational Issues

II. Description of the Applicant

1. General Information

Applicant is a Nevada Corporation, which was formed on June 12, 1998 as Worldwide Fiber Networks, Inc. and subsequently changed its name. The company is a wholly owned subsidiary of 360networks, inc., a publicly held Nevada corporation. The company is headquartered at 143 Union Boulevard, Suite 300, Lakewood, Colorado 80228.

2. Customer Service

360networks has established a toll free Customer Care number, 1-877-735-7366, to handle service complaints and/or billing questions once service commences. Mr. Terry Bate, Director of Client Services will oversee 360networks' Customer Care department and his staff will promptly respond to any customer complaints or concerns that may arise. Mr. Bate may be contacted through the Applicant's corporate offices at 143 Union Blvd., Suite 300, Lakewood, Colorado 80228, telephone (303) 854-5000.

360networks will also maintain a 24-hour Network Operation Center (NOC) to address operational issues. The NOC will be equipped with state-of-the-art monitoring equipment to allow for immediate response to any and all operational problems, which may arise. Mr. Gary Anderson, Vice President of Operations, 143 Union Blvd., Suite 300, Lakewood, Colorado 80228, telephone (303) 854-5000, will oversee all of the Applicant's operational departments. If the Customer is not satisfied with the Company's resolution of an inquiry or dispute, the Customer may refer the matter to the Commission for determination.

III. 360networks Possesses the Technical, Managerial and Financial Expertise Necessary to Provide Local Exchange Service

360networks possesses the requisite technical, financial and managerial capabilities to operate as a competitive telecommunications provider. These capabilities are explained in detail below.

1. Financial Qualifications

360networks is financially able to provide the services proposed in its tariff as evidenced by 360networks, Inc.'s Audited Financial Statements for the years ended December 31, 1998 and December 31, 1999, copies of which are attached hereto as Exhibit C. The company will file a bond as required by Commission rules.

2. Managerial Qualifications

Applicant is technically qualified to provide the proposed local exchange services in the state of Tennessee. As mentioned above, the members of 360networks's management team have extensive management and telecommunications experience.

360networks, inc. is a leading independent, facilities-based provider of fiber optic communications network products and services. By the end of 2001 we expect our network to consist of approximately 56,300 route miles in North America, Europe and South America, including an undersea cable between North America and Europe and an undersea cable between South America and North America. We recently agreed, subject to execution of definitive agreements, to acquire collocation facilities or site rights in ten cities in North America comprising approximately 2.9 million square feet. We intend to expand our network to provide connectivity on a global basis. Our network's design uses state-of-the-art optical technologies that we believe greatly reduces complexity and cost while allowing us to offer increased reliability and a wide

range of products and services. In addition, we offer network services to meet our customers' demands and enable Internet services and intend to develop products and services that capitalize on the convergence of telecommunications and high-bandwidth applications and services. Our network is scheduled to be completed by the end of 2001.

Our network consists of fiber optic assets and capacity that we have installed or acquired from other developers and carriers through swaps, purchases, leases, IRUs or other contractual rights along diverse POW. In North America, our network is expected to cover approximately 24,100 route miles, of which more than 12,200 route miles have been developed to date, encompassing both long-haul and intra-city route miles and providing connectivity among approximately 50 major population centers. In Europe, our network is expected to cover approximately 10,600 long-haul route miles (assuming, with respect to 1,300 route miles, the exercise of an option that we have), of which more than 4,900 route miles have been developed to date, providing connectivity among approximately 35 major population centers. Our 7,600 route mile fully protected undersea cable between North America and Europe will have the capacity to be a 1.92 terabits per second ("tbps"), self-healing ring that will connect landing sites in Boston, Halifax, Dublin and Liverpool and to major gateway cities in Europe and North America, including London and New York. Our planned 14,000 route mile fully protected undersea cable between South America and North America will have the capacity to be a 1.28 terabits per second, self-healing ring that will be able to offer city-to-city connectivity between 6 major population centers in Brazil, Venezuela, Bermuda and the United States. We intend to expand our planned network to more population centers through the addition of intercity and city ring capacity in North America, Europe and South America. We are also reviewing opportunities to

expand the geographic reach of our network, including transpacific connectivity to Asia. In addition, we intend to extend our network to Buenos Aires through undersea and/or terrestrial routes.

360networks (USA) inc. is authorized to provide local exchange service in Iowa, Kentucky, Montana, New York, Oregon, Rhode Island, Utah, Wisconsin, Wyoming and Washington D.C; and is authorized to provide interexchange service in Alabama, Arizona, California, Colorado, Connecticut, Delaware, Florida, Georgia, Indiana, Illinois, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Mexico, New York, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, Wisconsin, and Wyoming. 360networks is in the process of applying for authorization to provide resold and facilities-based interexchange and local exchange service throughout the United States. No such applications have been denied..

When the company installs facilities, it will deploy the following or a similar configuration:

Applicant's network will consist of multiple HDPE SDR 11 conduit banks, complete with regeneration/amplification facilities approximately every forty (40) miles. Applicant will have points of presence (POP) sites in the larger metropolitan areas. Applicant's network will utilize state-of-the-art fiber optic strands, which allow for the high speed, high quality transmission of data, video and voice communications. Applicant plans to install an average of 144 fiber optic strands on major builds throughout the network, and Applicant may install as many as 264 fibers or more in high demand areas. The advanced technical operating characteristics of the network will enable Applicant to provide technologically advanced dark fiber to customers at low cost by permitting higher capacity transmission over longer

distances between regeneration and amplifier facilities. The network is currently compatible with the highest commercially available transmission capacity (OC-192) and can accommodate advanced capacity-intensive data applications such as Frame Relay, ATM, multimedia and Internet related applications.

360networks is requesting statewide authority. Initial rollout is planned for the Nashville market area.

As the foregoing illustrates, 360networks possesses considerable telecommunications expertise. Thus, 360networks is technically qualified to provide local exchange and interexchange telecommunications services in Tennessee. Applicant also is willing to adhere to all applicable Commission policies, rules and orders.

IV. Approval of 360networks's Application is in the Public Interest

Granting 360networks's Application is consistent with the public interest, and, in that regard Applicant makes the following representations to the Commission:

- a. Applicant possesses the technical, financial, and managerial resources sufficient to provide the services requested;
- b. Applicant's services will meet the service standards required by the Commission;
- c. The provision services by Applicant will not adversely impact the availability of affordable local exchange service;
- d. Applicant, to the extent it is required to do so by the Commission, will participate in the support of universally available telephone service at affordable rates; and,
- e. The provision of local exchange services by Applicant will not adversely impact the public interest.

The demands of a competitive market are a better means to achieve affordability and quality of service than a monopoly environment. As competitors vie for market share, they will compete based upon price, innovation and customer service.

Those providers that offer consumers the most cost effective products will gain market share. In contrast, providers whose products do not meet the needs of consumers will lose market share and may ultimately, be eliminated from the industry.

Additionally, 360networks's entry into the local exchange markets will not unreasonably prejudice or disadvantage any telephone service providers. Incumbent local exchange carriers presently serve a large majority of the local exchange customers in Tennessee. The major advantages of incumbency (i.e., ownership of the existing local network as well as access to, and long-standing relationships with, every local customer) constitute a substantial obstacle to new entrants. Moreover, exchange services competition will stimulate the demand for the services supplied by all local service carriers, including those of the incumbent LECs. Thus, in a competitive market, there will be increased potential for such LECs to generate higher revenues. Additionally, in a competitive market, incumbent providers will have market incentives to improve the efficiency of their operations, thereby reducing their costs and ultimately their profit margins.

Currently, Tennessee consumers have a limited choice with regard to the provision of local exchange telecommunications service. A competitive local exchange service market comprised of incumbents and competitive providers such as 360networks will offer consumers a competitive option and, therefore, will better satisfy the needs of various market segments. In this regard, approval of this Application is clearly in the public interest.

V. Description of Services Offered and Service Territory

360networks expects to offer a full array of local exchange services, including the following:

Local Exchange:

- A. Local Exchange Services for business and residence telecommuter customers that will enable customers to originate and terminate local calls in the local calling area served by other LECs.
- B. Switched local exchange services, including basic service, trunks, carrier access, and any other switched local services that currently exist or will exist in the future.
- C. Non-switched local services (e.g., private line) that currently exist or will exist in the future.
- D. Centrex and/or Centrex-like services that currently exist or will exist in the future.
- E. Digital subscriber line, ISDN, and other high capacity services.

In addition to the services listed above, 360networks, through interconnection with other carriers, will offer dual-party relay services, 9-1-1 Emergency Services, directory assistance and operator assisted calls, lifeline, and toll-free calling.

Prior to providing local exchange services to the public in Tennessee, 360networks will file a complete Final Tariff and/or Price List with the Commission, which will contain a description of services to be provided, all rules and regulations applicable to such services, and proposed rates for such services. The Applicant's IntraLATA Presubscription Implementation Plan is attached hereto as Exhibit F.

VI. Waivers and Regulatory Compliance

360networks requests that the Commission grant it a waiver of those regulatory requirements inapplicable to competitive local service resellers such as 360networks. Such rules are not appropriate or necessary for competitive providers and constitute an economic barrier to entry into the local exchange market.

1. Financial Record-Keeping System

a. 360networks requests that it be exempt from any record-keeping rules or regulations that might require a carrier to maintain its financial records in conformance with the Uniform System of Accounts ("USOA"). The USOA was developed by the FCC as a means of regulating telecommunications companies subject to rate base regulation, and as a competitive carrier, 360networks does not maintain its financial records in this manner.

b. As a competitive carrier, 360networks maintains its book of accounts in accordance with Generally Accepted Accounting Principles ("GAAP"). Neither the FCC, nor the Commission, has required 360networks to maintain its records under the USOA for purposes of 360networks's interexchange operations. Thus, 360networks does not possess the detailed cost data required by USOA, nor does it maintain detailed records on a state-specific basis. As a competitive provider, 360networks's network operations are integrated to achieve maximum efficiency. Having to maintain records pertaining specifically to its Tennessee local service operations would place an extreme burden on 360networks.

c. Moreover, 360networks asserts that because it utilizes GAAP, the Commission will have a reliable means by which to evaluate 360networks's operations. Therefore, 360networks hereby respectfully requests to be exempted from the any USOA requirements of the Commission.

2. Local Exchange Directories

360networks requests that it not be required to publish local exchange directories. 360networks will make arrangements with the incumbent LECs whereby the names of 360networks's customers will be included in the directories published by the incumbent LECs. LEC directories will also be modified to include 360networks's customer service number. These directories will be distributed to 360networks's customers. This approach is entirely reasonable and will have a direct benefit to the customers of both 360networks and the incumbent LEC since they need only refer to one directory for a universal listing of customer information. It would be an unnecessary burden on 360networks to require that it publish and distribute its own directory to all customers located within each exchange area, particularly since nearly all of these customers will be customers of the incumbent LECs. It is more efficient for 360networks to simply include its limited customer list in the existing directories of the incumbent LECs.

VII. Regulatory Obligations

Applicant shall provide, either directly or indirectly or through arrangements with other carriers or companies, to the extent required by law or regulation:

1. Provide access to 911 and E 911 emergency service;
2. Provide white page directory listings and directory assistance;
3. Provide consumer access to and support for the Tennessee Relay Center in the same manner as incumbent local exchange telephone companies;
4. Provide free blocking service for 900, 976 type services in accordance with Commission policy;
5. Provide Lifeline and Link-up services to qualifying citizens of this state;
6. Provide educational discounts in existence as of June 6, 1996

Applicant shall also:

1. Provide support for universal service in a manner determined by the Commission. This requirement shall not be construed as prohibiting the granting of a certificate before the universal service issues are determined by the Commission;
2. Provide interconnection with other certificated carriers or Commission authorized carriers on a nondiscriminatory basis under reasonable terms and conditions;
3. Comply with Commission basic service standards as defined in any applicable rules and decisions of the Commission;
4. Provide equal access to authorized inter-and intraLATA long distance providers, unless otherwise exempted by the Commission.

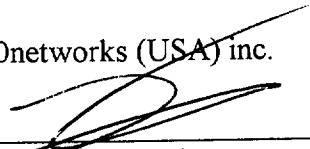
VIII. Conclusion

This Application demonstrates that 360networks (USA) inc., possesses the technical, financial and managerial resources to provide resold and facilities-based local exchange service in the State of Tennessee. Furthermore, granting this Application will promote the public interest by increasing the level of competition in the Tennessee telecommunications market. Ultimately, competition will compel all exchange telecommunications service providers to operate more efficiently and with resulting reduced prices for consumers. In addition, as a result of competition, the overall quality of local exchange service will improve. As stated above, Applicant does not intend to provide local service, by its own facilities or otherwise, to any customer located in a rural incumbent LEC's service area, until Applicant provides such LECs notice of intent at least 30 days prior to the date of the intended service, or as otherwise required by law.

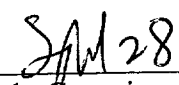
Wherefore, 360networks (USA) inc., respectfully petitions this Commission for a Certificate of Public Convenience and Necessity to Provide Competing local exchange telecommunications services in the State of Tennessee in accordance with this Application and for such other relief as it deems necessary and appropriate.

Respectfully submitted,

360networks (USA) inc.



Lance J.M. Steinhart
6455 East Johns Crossing, Suite 285
Duluth, Georgia 30097
770/232-9200
Attorney for Applicant



S.M. 28, 2000
Duluth, Georgia

VERIFICATION OF APPLICANT

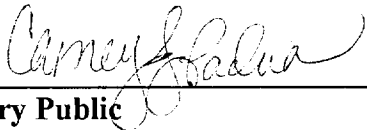
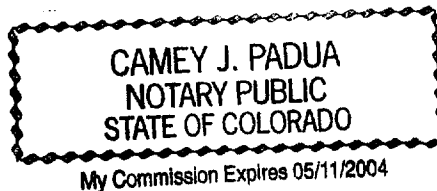
I, Julie R. Hawkins, Assistant General Counsel of 360networks (USA) inc., a Nevada Corporation, the applicant for a Certificate of Public Convenience and Necessity from the Public Service Commission of the State of Tennessee, verify that based on information and belief, I have knowledge of the statements in the foregoing Pre-Filed Testimony, and I declare that they are true and correct.



Julie R. Hawkins
Assistant General Counsel
360networks (USA) inc.

Sworn to me, the undersigned
Notary Public on this
12th day of September, 2000.

State of Colorado
County of Jefferson



Notary Public

EXHIBIT "A"
ARTICLES OF INCORPORATION & BYLAWS

CERTIFICATE OF AMENDMENT
OF
ARTICLES OF INCORPORATION
OF
WORLDWIDE FIBER NETWORKS, INC.

WORLDWIDE FIBER NETWORKS, INC., a corporation organized and existing under the laws of the State of Nevada, and its Articles of Incorporation originally filed with the Secretary of State for the State of Nevada on June 12, 1998, DOES HEREBY CERTIFY:

FIRST: That by written consent of the Board of Directors of Worldwide Fiber Networks, Inc., the following resolutions were duly adopted:

RESOLVED, that Article I of the Articles
of Incorporation be amended as follows:

I. NAME

The name of the corporation is 360networks (USA) inc.

SECOND: The total number of outstanding shares having voting power of the corporation is 200, and the total number of votes entitled to be cast by the holders of all of said outstanding shares is 200.

THIRD: The holders of all of the aforesaid total number of outstanding shares having voting power, to wit, shares, dispensed with the holding of a meeting of the stockholders and adopted the amendment herein certified by a consent in writing signed by all of them.

DATED this 25th day of May, 2000.

WORLDWIDE FIBER NETWORKS, INC.

By: 

Jerry Tharp, President

By: 

Ron Stevenson, Secretary

PROVINCE OF Colorado)
CITY OF Denver)



My Comm. Expires 1-9-2001

On this 45 day of May, 2000, personally appeared before me, a Notary Public, JERRY THARP, who acknowledged to me that he executed the foregoing CERTIFICATE OF AMENDMENT OF ARTICLES OF INCORPORATION OF WORLDWIDE FIBER NETWORKS, INC.

Katherine L. Marschall
NOTARY PUBLIC

PROVINCE OF British Columbia)
CITY OF Vancouver)

On this 25th day of May, 2000, personally appeared before me, a Notary Public, RON STEVENSON, who acknowledged to me that he executed the foregoing CERTIFICATE OF AMENDMENT OF ARTICLES OF INCORPORATION OF WORLDWIDE FIBER NETWORKS, INC.

Ron Stevenson
NOTARY PUBLIC

CONSENT RESOLUTION

OF

BOARD OF DIRECTORS

OF

WORLDWIDE FIBER NETWORKS, INC.

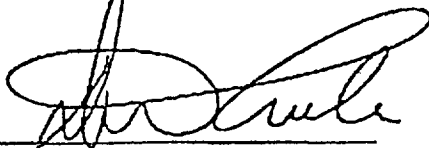
The undersigned being the members of the Board of Directors of Worldwide Fiber Networks, Inc., a Nevada corporation, pursuant to NRS 78.315(2), hereby consent to the adoption of the following resolutions:

RESOLVED, that the articles of incorporation be amended to reflect a change of the name of the corporation to:

"360networks (USA) inc."

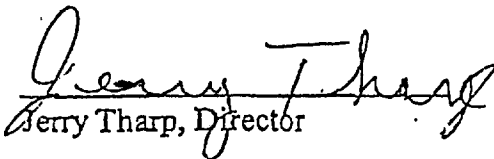
RESOLVED, that the President or Secretary of the corporation be, and they hereby are, authorized and empowered to execute any and all other instruments and certificates, and to do and perform all other acts and things necessary, or by them deemed desirable, to effectuate the purposes of the foregoing resolutions.

DATED this 25th day of May, 2000.




David Lede, Director

Clifford Lede, Director



Jerry Tharp, Director



Ronald Stevenson, Director

04/07/99 10:51

FILED

15:18

THE OFFICE OF THE
SECRETARY OF STATE OF THE
STATE OF NEVADA

APR 01 1999

No. C13871-98

DEAN HELLER, SECRETARY OF STATE

ARTICLES OF MERGER

These Articles of Merger are made this 23rd day of March, 1999, between Pacific Fiber Link Por-Sac, Inc., a Nevada corporation (sometimes referred to herein as the "Nevada Corporation" or the "Surviving Corporation") and Pacific Fiber Link, LLC, a Washington limited liability company (sometimes referred to herein as the "Washington LLC" or the "Merged Company").

RECITALS

A. The Nevada Corporation is a corporation duly organized and existing under the laws of the State of Nevada. Its registered office located at 1575 Delucchi Lane, Ste. 224, Reno, Nevada 89502.

B. The Washington LLC is a limited liability company duly organized and existing under the laws of the State of Washington with its registered office located at 1420 Fifth Avenue, Ste. 3510, Seattle, Washington 98101-4031.

C. The Nevada Corporation and the Washington LLC deem it desirable and in their best interests that the Washington LLC be merged into the Nevada Corporation in accordance with the provisions of Chapter 92A of the Nevada Revised Statutes.

I.

An agreement and plan of merger has been approved and adopted by the Nevada Corporation, through its board of directors, and submitted and approved by its stockholders pursuant to Chapter 92A of the Nevada Revised Statutes as set forth below:

Designation of Shares:	Common
Number of Votes Entitled to be Cast:	100
Number of Votes for Plan:	100
Number of Votes Against Plan:	0

The number of votes of the stockholders for the plan was sufficient for approval.

II.

An agreement and plan of merger has been approved and adopted by the Washington LLC, through its managing member and management committee, and submitted and approved unanimously by its sole member possessing a 100% membership interest, pursuant to the laws of the State of Washington.

III.

The Articles of Incorporation of the Surviving Corporation shall continue to be its Articles of Incorporation, except that according to the agreement and plan of merger Article I is amended to read:

I. NAME

The name of the corporation is WORLDWIDE FIBER NETWORKS, INC.

IV.

The complete executed agreement and plan of merger is on file at the registered office of the Surviving Corporation: 1575 Delucchi Lane, Ste. 224, Reno, Nevada 89502.

V.

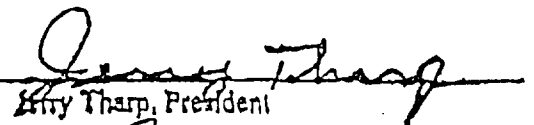
On the effective date of the merger, the separate existence of the Merged Company shall cease, and the Surviving Corporation shall succeed to all the rights, privileges, immunities, and franchises, and all the property, real, personal, and mixed, of the Merged Company, without the necessity for any separate transfer. The Surviving Corporation shall thereafter be responsible and liable for all liabilities and obligations of the Merged Company, and neither the rights of creditors nor any liens on the property of the Merged Company shall be impaired by the merger.

VI.


The merger takes effect upon the filing of these Articles of Merger.

PACIFIC FIBER LINK FOR-SAC, INC.

By:


Jerry Sharp, President

By:


Ron Stevenson, Secretary

STATE OF Colorado
COUNTY OF Adams) ss.

On this 26 day of March, 1999, personally appeared before me, a Notary Public, JERRY THARP, who acknowledged to me that he executed the foregoing ARTICLES OF MERGER.

Kathleen L. Head
NOTARY PUBLIC

~~PAVINE~~
~~STATE OF~~ British Columbia) ss.
COUNTY OF Vancouver

On this 23rd day of March, 1999, personally appeared before me, a Notary Public, RON STEVENSON, who acknowledged to me that he executed the foregoing ARTICLES OF MERGER.

Brian Tattler
NOTARY PUBLIC
BRIAN TATTLER
BARRISTER & SOLICITOR
CONNET & MURPHY
P.O. Box 45003
1111 West Columbia Street
Vancouver, B.C. Canada V7K 1E9

FILED
IN THE OFFICE OF THE
SECRETARY OF STATE OF THE
STATE OF NEVADA

JUN 12 1990

NO. C13871-98
Don Hill
CONTROLLER, SECRETARY OF STATE

ARTICLES OF INCORPORATION

OF

PACIFIC FIBER LINK POR-SAC, INC.

That I, the undersigned, have this day voluntarily acted for the purpose of forming a corporation under the laws of the State of Nevada, and to that end, I do hereby certify:

I. NAME

The name of the corporation is PACIFIC FIBER LINK POR-SAC, INC.

II. AGENT FOR SERVICE OF PROCESS

The name and address of the Initial Resident Agent and location of the Registered Office in this state is Bockley, Singleton, Jomison, Coboaga & List, 1575 Delucchi Lane, Sullo 224, Reno, Nevada 89502.

III. PURPOSE

The purpose of the corporation, and the nature of the business and objects proposed to be transacted and carried on by it are:

To engage in any lawful act or activity for which a corporation may be organized under the laws of the State of Nevada other than the banking business, the trust company business or the practice of a profession permitted to be incorporated under the laws of the State of Nevada.

IV. STOCK

The corporation is authorized to issue one class of shares, which shall be designated "common shares," having a total number of 25,000 shares. Each suc

share, when issued, shall have one (1) vote.

V. NUMBER OF DIRECTORS

The members of the governing board of the corporation shall be styled "Directors," and the Initial Board of Directors shall be one (1) in number.

The number of directors may, at any time or times, be increased or decreased by a duly adopted amendment to these Articles of Incorporation, or in such manner as shall be provided in the By-Laws of the corporation or by an amendment to the By-Laws of the corporation duly adopted by either the Board of Directors or the shareholders.

VI. INITIAL DIRECTORS

The name and address of the First Board of Directors is as follows:

David Lodo
#1000 - 1066 West Hastings Street
Vancouver, British Columbia
Canada V6E 3X1

VII. INCORPORATOR

The name and post office address of the Incorporator signing these Articles of Incorporation is as follows:

Lance P. Malis
Beckley, Singleton, Jamison, Cobeaga & List
1575 Dolucchi Lane, Suite 224
Reno, Nevada 89502

VIII. ASSESSABILITY OF SHARES

The capital stock of this corporation, after the amount of the subscription price has been paid, shall not be subject to assessment to pay the debts of the corporation, and no stock issued as fully paid shall be assessable or assessed, nor shall the private property of the stockholders, directors or officers of this corporation be subject to the payment of any corporate debts to any extent whatsoever, and in this particular, the Articles of Incorporation shall not be subject to amendment.

IX. INDEMNIFICATION AND LIMITATION ON LIABILITY

Every person who was or is a party, or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or she or a person of whom he or she is the legal representative, is or was a director or officer of the corporation, or is or was serving at the request of the corporation as a director or officer of another corporation, or as its representative in a partnership, joint venture, trust or other enterprise, shall be indemnified and held harmless to the fullest extent legally permissible under the laws of the State of Nevada, as amended, against all expenses, liability and loss (including attorneys' fees), judgments, fines and amounts paid in connection therewith. Such right of indemnification shall be a contract right which may be enforced in any manner desired by such person. Such right of indemnification shall not be exclusive of any other right which such directors, officers or representatives may have or hereafter acquire, and, without limiting the generality of such statement, they shall be entitled to their respective rights of indemnification under any By-Law, agreement, vote or

stockholders, provision of law, or otherwise, as well as their rights under this Article.

The personal liability of a director or officer of the corporation or its stockholders, shall be limited to the fullest extent provided by Nevada law, as amended, for damages for breach of fiduciary duty as an officer or director. This provision shall not eliminate the liability of a director or officer for acts or omissions which involved intentional misconduct, fraud, a knowing violation of the law or the payment of dividends in violation of NRS 78.300.

Expenses of directors and officers incurred in defending a civil or criminal action, suit or proceeding, must be paid by the corporation as they are incurred and in advance of the final disposition of the action, suit or proceeding, upon receipt of and undertaking by or on behalf of the director or officer to repay the amount if it is ultimately determined by a court of competent jurisdiction that he or she is not entitled to be indemnified by the corporation. This does not affect the rights to advancement of expenses which corporate personnel, other than directors or officers, may be entitled to under any contract or otherwise by law.

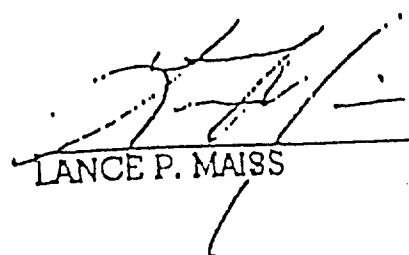
Without limiting the application of the foregoing, the Board of Directors may adopt By-Laws from time to time with respect to indemnification, to provide at all times the fullest indemnification permitted by the laws of the State of Nevada, and may cause the corporation to purchase and maintain insurance on behalf of any person who is or was a director or officer of the corporation, or is or was serving at the request of the corporation as a director or officer of another corporation, or as its representative in a partnership, joint venture, trust or other enterprise against any liability asserted

against such person and incurred in any such capacity or arising out of such status, whether or not the corporation would have the power to indemnify such person.

X. RIGHTS, PREFERENCES, PRIVILEGES AND RESTRICTIONS

Unless otherwise determined by the Board of Directors, no holder of stock of the corporation shall be entitled as such, as a matter of right, to purchase or subscribe for any stock of any class which the corporation may issue or sell, whether or not exchangeable for any stock of the corporation of unissued shares authorized by the Articles of Incorporation of the corporation as originally filed or by any amendment thereof, or out of shares of stock of the corporation acquired by it after the issue thereof, and whether issued for cash, labor performed, personal property, real property, or locus thereof, nor shall he be entitled to any right of subscription to any thereof; nor, unless otherwise determined by the Board of Directors, shall any holder of any shares be entitled as such, as a matter of right, to purchase or subscribe for any obligation which the corporation may issue or sell that shall be convertible into or exchangeable for any shares of the stock of its capital stock of any class or classes.

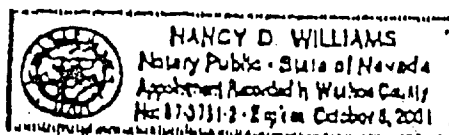
IN WITNESS WHEREOF, I have hereunto set my hand this 16th day of June, 1998, hereby declaring and certifying that the facts stated hereinabove are true.



LANCE P. MAISS

State of Nevada)
)ss:
County of Washoe)

On June 14, 1998, personally appeared before me, a Notary Public,
Lance P. Malss, who acknowledged that he executed the above instrument.



Lance P. Malss
NOTARY

CODE OF BYLAWS
OF
PACIFIC FIBER LINK POR-SAC, INC.

ARTICLE I

Identification

Section 1.01. Name. The name of the Corporation is **PACIFIC FIBER LINK POR-SAC, INC.**,

Section 1.02. Registered Office and Resident Agent. The address of the registered office of the Corporation is 1575 Delucchi Lane, Suite 224, Reno, Nevada, 89502, and the name of the registered agent at this address is BECKLEY, SINGLETON, JEMISON, COBEAGA & LIST.

Section 1.03. Other Offices. Branch or subordinate offices may at any time be established by the Board of Directors at any place or places within or without the State of Nevada where the Corporation is authorized to do business.

Section 1.04. Seal. The seal of the Corporation shall be circular in form and mounted upon a metal die, suitable for impressing the same upon paper. About the upper periphery of the seal shall appear the words **Pacific Fiber Link Por-Sac, Inc.** and about the lower periphery of it the word Nevada. In the corner of the seal shall appear the words Corporate Seal and 1998 .

Section 1.05. Fiscal Year. The fiscal year of the Corporation shall be determined by resolution of the Board of Directors.

ARTICLE II

Capital Stock

Section 2.01. Consideration for Shares. The capital stock may be issued for such consideration, expressed in dollars, not less than the par value thereof, as shall be fixed from time to time by the Board of Directors. Treasury shares may be disposed of by the Corporation for such consideration expressed in dollars as may be fixed from time to time by the Board of Directors.

Section 2.02. Payment for Shares. The consideration for the issuance of shares may be paid, in whole or in part, in money, in other property, tangible or intangible, or in labor or services actually performed for the Corporation. When payment of the consideration for which shares are to be issued has been received by the Corporation, the shares shall be considered to be

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fully paid and nonassessable. Neither promissory notes nor future services shall constitute payment for shares of the Corporation. In the absence of fraud in the transaction, the judgment of the Board of Directors as to the value of the consideration received for shares shall be conclusive. No certificate shall be issued for any share until the share is fully paid.

Section 2.03. Certificates Representing Shares. Each holder of the capital stock of the Corporation shall be entitled to a certificate signed by the President or a Vice-President, and the Secretary or an Assistant Secretary of the Corporation, and sealed with the seal of the Corporation, certifying the number of shares owned by him in the Corporation.

Section 2.04. Transfer of Stock. The Corporation shall register a transfer of a stock certificate presented to it for transfer if the following conditions have been fulfilled:

- (a) Endorsement. The certificate is properly endorsed by the registered holder or by his duly authorized attorney;
- (b) Witnessing. The endorsement or endorsements are witnessed by one witness unless this requirement is waived by the Secretary of the Corporation;
- (c) Adverse Claims. The Corporation has no notice of any adverse claims or has discharged any duty to inquire into any such claims; and
- (d) Collection of Taxes. There has been compliance with any applicable law relating to the collection of taxes.

ARTICLE III

The Shareholders

Section 3.01. Place of Meetings. Meetings of the shareholders of the Corporation shall be held at the principal office of the Corporation, or at such other place as may be designated by the President or the Board of Directors, or by the written consent of all shareholders entitled to vote thereat given either before or after the meeting and filed with the Secretary of the Corporation.

Section 3.02. Annual Meetings. The annual meeting of the shareholders shall be determined by the Board of Directors. Failure to hold the annual meeting at the designated time shall not cause a forfeiture or dissolution of the Corporation.

Section 3.03. Special Meetings. Special meetings of the shareholders may be called by the President, the Board of Directors, or the holder or holders of not less than 50% of all the shares entitled to vote at the meeting.

Section 3.04. Notice of Meetings -- Waiver. Written notice stating the place, day and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which

the meeting is called, shall be delivered not less than ten (10), nor more than fifty (50) days before the date of the meeting, either personally, or by mail, or by other means of written communication, charges prepaid, by or at the direction of the President, the Secretary, or the Officer or persons calling the meeting, to each registered holder entitled to vote at such meeting. If mailed, such notice shall be considered to be delivered when deposited in the United States mail addressed to the registered holder at his address as it appears on the stock transfer books of the Corporation, with postage prepaid. If a shareholder gives no address, notice shall be deemed to have been given him if sent by mail or other written communication addressed to the place where the principal office of the Corporation is situated, or if published at least once in some newspaper of general circulation in the county in which said office is located. Waiver by a shareholder in writing of notice of a shareholders meeting, shall be equivalent to giving such notice. Attendance by a shareholder, without objection to the notice, whether in person or by proxy, at a shareholders meeting shall constitute a waiver of notice of the meeting.

Section 3.05. Quorum. A majority of the shares entitled to vote, represented in person, by proxy, or by telephone shall constitute a quorum at a meeting of shareholders. The shareholders present at a duly organized meeting may continue to do business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum.

Section 3.06. Adjourned Meetings and Notice Thereof. Any shareholders' meeting, annual or special, whether or not a quorum is present, may be adjourned from time to time by the vote of a majority of the shares, the holders of which are either present in person or represented by proxy thereat, but in the absence of a quorum no other business may be transacted at any such meeting.

When any shareholders' meeting, either annual or special, is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of the time and place of the adjourned meeting or of the business to be transacted thereat, other than by announcement at the meeting at which such adjournment is taken.

Section 3.07. Entry of Notice. An entry in the minutes of any meeting of shareholders, whether annual or special, to the effect that notice has been duly given shall be conclusive and incontrovertible evidence that due notice of such meeting was given to all shareholders as required by law and these Bylaws.

Section 3.08. Voting. Except as otherwise provided by law, only persons in whose names shares entitled to vote stand on the stock records of the Corporation on the day three (3) days prior to any meeting of shareholders, or, if a record date for voting purposes is fixed as provided in Article VI, Section 6.01, of these Bylaws, then on such record date, shall be entitled to vote at such meeting. Such vote may be viva voce or by ballot; provided, however, that all elections for directors must be by ballot upon demand by a shareholder at any election and before the voting begins. Except as otherwise provided by the Articles of Incorporation or by law, each full share is entitled to one vote; fractional shares shall not be entitled to any voting rights whatsoever.

Section 3.09. Consent of Absentees. The transactions of any meeting of shareholders, either annual or special and however called and noticed, shall be as valid as though had at a meeting duly held after regular call and notice if a quorum be present either in person or by proxy and if, either before or after the meeting, each of the shareholders entitled to vote, not present in person or by proxy, signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof, all such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 3.10. Action or Ratification of Action Without Meeting. Any action which, under applicable provisions of law, may be taken or ratified at a meeting of the shareholders, may be taken or ratified without a meeting if authorized in writing by shareholders holding the percentage of the voting power required by law for taking such action by written consent and such writing is filed with the Secretary of the Corporation.

Section 3.11. Proxies. Every person entitled to vote or execute consents shall have the right to do so either in person or by an agent or agents authorized by a written proxy executed by such person or his duly authorized agent and filed with the Secretary of the Corporation; provided that no such proxy shall be valid after the expiration of eleven (11) months from the date of its execution unless the person executing it specified therein the length of time for which such proxy is to continue in force, which in no event shall exceed seven (7) years from the date of its execution.

Section 3.12. Definition of "Shareholder". As used in these Bylaws, the term "shareholder", and any term of like import, shall include all persons entitled to vote the shares held by a shareholder, unless the context in which such term is used indicates that a different meaning is intended.

ARTICLE IV

The Board of Directors

Section 4.01. Number of Directors. The members of the governing board of the corporation shall be styled directors. The governing board of the corporation shall consist of at least one director and no more than six (6) directors, with the number to be subject to determination and change, from time to time, by duly adopted resolutions of the Board of Directors. The number of seats of the Board of Directors may be increased or decreased from time to time as provided in Section 4.02 below.

Section 4.02. Increase or Decrease of Directors. The number of seats for Directors of the Corporation may be increased or decreased from time to time, at a meeting of the shareholders, by the affirmative vote of a majority of the issued and outstanding shares of stock of the Corporation; provided, however, that the Board shall consist of less than three (3) members only if all of the issued and outstanding shares of the Corporation are owned beneficially and of record by less than three (3) shareholders, in which case the number of Directors may be less than

three (3), but not less than the number of beneficial and record owners of shares. This Section of the Code of Bylaws may be amended only by the affirmative vote, at a meeting of the shareholders, of a majority of the issued and outstanding shares of stock of the Corporation.

Section 4.03. Election. Members of the initial Board of Directors shall hold office until the first annual meeting of shareholders or until their successors shall have been elected and qualified. At the first annual meeting of shareholders and at each annual meeting thereafter, the shareholders shall elect Directors to hold office until the next succeeding annual meeting. If any such annual meeting is not held, or the Directors are elected thereat, the Directors may be elected at any special meeting of shareholders held for that purpose. Each Director shall hold office for the term for which he is elected or until his successor shall be elected and qualified.

Section 4.04. Vacancies. Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining Directors though less than a quorum of the Board of Directors, or by a sole remaining Director. A Director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

A vacancy or vacancies in the Board of Directors shall be deemed to exist in case of the death, resignation or removal of any directors, or if the authorized number of directors be increased, or if the shareholders fail at any annual or special meeting of shareholders at which any Director or Directors are elected to elect the full authorized number of Directors to be voted for at that meeting, or if a vacancy is declared by the Board of Directors for any reason permitted by law.

The shareholders may elect a Director or Directors at any time to fill any vacancy or vacancies not filled by the Directors. If the Board of Directors accepts the resignation of a Director tendered to take effect at a future time, the Board or the shareholders shall have power to elect a successor to take office when the resignation is to become effective.

No reduction of the authorized number of Directors shall have the effect of removing any Director prior to the expiration of his term of office.

Section 4.05. Place of Meetings. Immediately after the annual meeting of the shareholders, at the same place as the meeting of the shareholders, the Board of Directors shall meet each year for the purpose of organization, election of officers, and consideration of any other business that may properly be brought before the meeting. No notice of any kind to either old or new members of the Board of Directors for this annual meeting shall be necessary unless the meeting is to be held at a place other than the principal office of the Corporation, in which case notice of the place of the meeting shall be given as provided in Section 4.08.

Section 4.06. Regular Meetings. Regular meetings of the Board of Directors shall be held at such times and places within or without the State of Nevada as may be designated from time to time by resolution of the Board or by written consent of all members of the Board. No notice of any kind to members of the Board for these regular meetings shall be necessary unless the meeting is to be held at a place other than the principal office of the Corporation, in which case notice of the place of the meeting shall be given as provided in Section 4.08. Any director may

participate in a meeting by telephone conference or similar method of communication.

Section 4.07. Other Meetings. Other meetings of the Board of Directors for any purpose or purposes may be held at any time upon call by the President or, if he is absent or unable or refuses to act, by any Vice President or by any two (2) Directors. Such meetings may be held at any place within or without the State of Nevada as may be designated from time to time by resolution of the Board or by written consent of all members of the Board. Any director may participate in a meeting by telephone conference or similar method of communication.

Written notice of the time and place of other meetings shall be delivered personally to each Director or sent to each Director by mail or other form of written communication, charged prepaid, addressed to him at his address as it is shown upon the records of the corporation or, if it is not so shown on such records or is not readily ascertainable, at the place in which the meetings of the Directors are regularly held. In case such notice is mailed or telegraphed, it shall be deposited in the United States mail or delivered to the telegraph company in the place in which the principal office of the Corporation is located at least seventy-two (72) hours prior to the time of the holding of the meeting. In case such notice is delivered as above provided, it shall be so delivered at least twenty-four (24) hours prior to the time of the holding of the meeting. Such mailing, telegraphing or delivery as above provided shall constitute due, legal and personal notice to such Director.

Section 4.08. Notice of Adjourned Meetings. Notice of the time and place of holding an adjourned meeting need not be given to absent Directors if the time and place be fixed at the meeting adjourned.

Section 4.09. Entry of Notice. An entry in the minutes of any special meeting of the Board of Directors to the effect that notice has been duly given shall be conclusive and incontrovertible evidence that due notice of such special meeting was given to all Directors as required by law and by these Bylaws.

Section 4.10. Waiver of Notice. The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present, and if, either before or after the meeting, each of the Directors not present signs a written waiver of notice or a consent to holding such meeting or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 4.11. Quorum. A majority of the then sitting number of Directors, shall be necessary to constitute a quorum for the transaction of business, except to adjourn as hereinafter provided. Every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors unless a greater number be required by law or by the Articles of Incorporation. If the number of Directors pursuant to the Articles of Incorporation is one or two, the unanimous consent of said Directors shall be necessary for Board of Directors' action.

Section 4.12. Adjournment. A quorum of the Directors may adjourn any Directors' meeting to meet again at a stated day and hour; provided, however, that in the absence of a quorum, a majority of the Directors present at any Directors' meeting either regular or special, may adjourn from time to time until the time fixed for the next regular meeting of the Board.

Section 4.13. Action Without Meeting. Any action required or permitted to be taken by the Board of Directors under the Articles of Incorporation, these Bylaws, or under applicable law, may be taken without a meeting if all members of the Board of Directors shall individually or collectively consent, in writing, to such action. Such action by written consent shall have the same force and effect as a unanimous vote of such directors. Such written consent or consents shall be filed with the minutes of the proceedings of the Board.

Section 4.14. Fees and Compensation. Directors shall not receive any stated salary for their services as Directors or as members of committees, but, by resolution of the Board, a fixed fee, with or without expenses of attendance, may be allowed to Directors for such services. Nothing herein contained shall be construed to preclude any Director from serving the Corporation in any other capacity as an officer, agent, employee or otherwise, and receiving compensation therefor.

Section 4.15. Indemnification of Directors and Officers.

(a) The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he is or was a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses, including attorneys' fees, judgments, fines and amounts paid or owed in settlement actually and reasonably paid or incurred by him or rendered or levied against him in connection with such action; suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, and with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Corporation, or, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

(b) The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses, including attorney's fees, actually and reasonably paid or incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best

interests of the Corporation, provided, however, that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for misfeasance or nonfeasance in the performance of his duty to the Corporation unless and only to the extent that, despite the adjudication of liability but in view of all circumstances of the case, such person fairly and equitably merits indemnification.

(c) To the extent that a person who may be entitled to indemnification by the Corporation under this section is or has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subsections (a) and (b), or in defense of any claim, issue or matter therein, he shall be indemnified against expenses, including attorneys' fees, actually and reasonably paid or incurred by him in connection therewith.

(d) Any indemnification under subsections (a) and (b) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in subsection (a) or (b). Such determination shall be made (i) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (ii) if such a quorum is not obtainable or, even if obtainable, a quorum of disinterested directors so directs, by either independent legal counsel in a written opinion, or the stockholders, or (iii) if required by law, by the court in which such action, suit or proceeding was brought or another court of competent jurisdiction.

(e) Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding if such payment is authorized in the manner provided in subsection (d) upon receipt of an undertaking by or on behalf of the director, officer, employee or agent to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Corporation as authorized in this section.

(f) The indemnification provided by this section shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such person.

(g) The Corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of this section.

(h) For the purposes of this section, references to "the Corporation" include all constituent corporations absorbed in a consolidation or merger as well as the resulting or surviving corporation so that any person who is or was a director, officer, employee or agent of such constituent corporation or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise shall stand in the same position under the provisions of this section with respect to the resulting or surviving corporation as he would if he had served the resulting or surviving corporation in the same capacity.

(i) The provisions of this section shall apply to the estate, executors, administrators, heirs, legatees or devisees of a person entitled to indemnification hereunder and the term "person," where used in the section shall include the estate, executors, administrators, heirs, legatees or devisees of such person.

Section 4.16. Powers of Directors. Subject to limitations of the Articles of Incorporation, of these Bylaws, and of applicable law as to action to be authorized or approved by the shareholders and subject to the duties of Directors as prescribed by these Bylaws, all corporate powers shall be exercised by or under the authority of, and the business and affairs of the Corporation shall be controlled by, the Board of Directors. Without prejudice to such general powers, but subject to the same limitations, it is hereby expressly declared that the Directors shall have the following powers, to wit:

First: To select and remove all officers, agents and employees of the Corporation, prescribe such powers and duties for them as may not be inconsistent with law, with the Articles of Incorporation or the Bylaws, fix their compensation, and require from them security for faithful service.

Second: To conduct, manage and control the affairs and business of the Corporation and to make such rules and regulations therefor not inconsistent with law, with the Articles of Incorporation or these Bylaws, as they may deem best.

Third: To change the principal office for the transaction of the business of the Corporation from one location to another within the same county as provided in Article I, Section 1.02, hereof; to fix and locate from time to time one or more subsidiary offices of the Corporation, within or without the State of Nevada as provided in Article I, Section 1.03, hereof; to designate any place within or without the State of Nevada for the holding of any shareholders' meeting or meetings; and to adopt, make and use a corporate seal, and to prescribe the forms of certificates of stock, and to alter the form of such seal and of such certificates from time to time, as in their judgment they may deem best, provided such seal and such certificates shall at all times comply with the provisions of law.

Fourth: To borrow money and incur indebtedness for the purposes of the Corporation, and to cause to be executed and delivered therefor, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecation or other evidences of

debt and securities therefor.

Fifth: To authorize the issue of shares of stock of the Corporation from time to time, upon such terms as may be lawful, in consideration of money paid, labor done or services actually rendered, debts or securities cancelled, tangible or intangible property actually received or such other consideration as may be authorized by law.

Sixth: To adopt and administer, or provide for the administration of, employee stock purchase plans, employee stock option plans and any other plans or arrangements whereby directors, officers, employees or agents of the Corporation or any other entity may be entitled to acquire authorized but unissued or treasury stock or other securities of the Corporation, upon such terms and conditions as may from time to time be permitted by law.

Seventh: To appoint an Executive Committee and other committees, and to delegate to such Executive Committee any of the powers and authority of the Board in the management of the business and affairs of the Corporation except the power to declare dividends and to adopt, amend or repeal Bylaws. The Board of Directors shall have the power to prescribe the manner in which proceedings of the Executive Committee and other committees shall be conducted. The committees shall keep regular minutes of their meetings and report the same to the Board when required. Any such Executive Committee shall be composed of two (2) or more Directors.

Eighth: To lend money in furtherance of any of the purposes of the Corporation; to invest the funds of the Corporation from time to time; and to take and hold any property as security for the payment of funds so loaned or invested.

Ninth: To lend money to employees, officers and Directors, and to otherwise assist employees, officers and Directors. Loans to members of the Board of Directors shall be made only upon the approval of a majority of the Board of Directors excluding the Director to whom the loan is to be made.

Tenth: To declare dividends upon the capital stock of the Corporation in cash, in property, or in shares of the capital stock, subject to the limitation of the Articles of Incorporation and of applicable law. Before payment of any dividend, there may be set aside out of the funds of the Corporation available for dividends such sum or sums as the Directors from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or for such other purpose as the Directors shall think conducive to the interests of the Corporation, and the Directors may modify or abolish any such reserve in the manner in which it was created.

ARTICLE V

The Officers

Section 5.01. Officers. The Officers of the Corporation shall be a President, a

Secretary and a Treasurer. The Corporation may also have such other executive officers, including one (1) or more Vice Presidents, one (1) or more Assistant Secretaries and one (1) or more Assistant Treasurers, as may be appointed by the Board of Directors, and such subordinate officers as may be appointed in accordance with the provisions of Section 5.03 of this Article V. Officers, other than the President, need not be Directors. One person may hold two (2) or more offices, except those of President and Secretary. However, if the Corporation only has one shareholder, then one person may hold the offices of both President and Secretary.

Section 5.02. Election. The Officers of the Corporation, except such Officers as may be appointed in accordance with the provisions of Section 5.03 or Section 5.05 of this Article, shall be chosen annually by the Board of Directors, and each shall hold his office until he shall resign or shall be removed or otherwise disqualified to serve, or his successor shall be elected and qualified; provided that officers may be appointed at any time by the Board of Directors, or, as permitted by Section 5.03 of this Article, by the President, for the purpose of initially filling an office or filling a newly created or vacant office.

Section 5.03. Subordinate Officers. The Board of Directors may appoint, and may empower the President to appoint, such other Officers as the business of the Corporation may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in these Bylaws or as the Board of Directors may from time to time determine.

Section 5.04. Removal and Resignation. Any Officer may, subject to any contractual arrangements between the Officer and the Corporation, be removed, either with or without cause, by a majority of the Directors in office at the time, at any regular or special meeting of the Board, or, except in case of an Officer chosen by the Board of Directors, by any Officer upon whom such power of removal may be conferred by the Board of Directors.

Any Officer may resign at any time by giving written notice to the Board of Directors or to the President, or to the Secretary of the Corporation. Any such resignation shall take effect at the date of the receipt of such notice or any later time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5.05. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in these Bylaws for regular appointments to such office.

Section 5.06. President. Subject to such supervisory powers, if any, as may be given by the Board of Directors to an Officer senior to the President, if there be such an Officer, the President shall be the chief executive officer of the Corporation and shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and officers of the Corporation. He shall preside at all meetings of the shareholders, and, in the absence of the

Chairman of the Board, or officer senior to the President, or if there be none, at all meetings of the Board of Directors. He shall be ex officio a member of all the standing committees, including the Executive Committee, if any, and shall have the general powers and duties of management usually vested in the office of president of a Corporation, and such other powers and duties as may be prescribed by the Board of Directors or these Bylaws.

Section 5.07. Vice Presidents. In the absence or disability of the President, the Vice Presidents in order of their rank as fixed by the Board of Directors, or if not ranked, the Vice President designated by the Board of Directors, shall perform all the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice Presidents shall have such other powers and perform such other duties as may be prescribed for them respectively by the Board of Directors, the President or these Bylaws.

Section 5.08. Secretary. The Secretary shall keep or cause to be kept, at the principal office or such other place as the Board of Directors may order, a book of minutes of all meetings of directors and shareholder, with the time and place of holding, whether regular or special, and, if special, how authorized, the notice thereof given, the names of those present at Directors' meetings, the number of shares present or represented at shareholders' meetings, and the proceedings thereof.

The Secretary shall keep or cause to be kept, in any form permitted by law, at the principal office or at the office of the Corporation's transfer agent, a share register, or a duplicate share register, showing the names of the shareholders and their addresses, the number and classes of shares held by each, the number and date of certificates issued for shares, and the number and date of cancellation of every certificate surrendered for cancellation.

The Secretary shall give, or cause to be given, notice of all the meetings of the shareholders and of the Board of Directors required by these Bylaws or by law to be given, and shall keep the seal of the Corporation in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors, the President or these Bylaws.

Section 5.09. Treasurer. The Treasurer shall keep and cause to be done, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, surplus and shares. Any surplus, including earned surplus, paid-in surplus and surplus arising from a reduction of stated capital, shall be classified according to source and shown in a separate account. The books of account shall at all times be open to inspection by any Director.

The Treasurer shall deposit or cause to be deposited all monies and other valuables in the name and to the credit of the Corporation with such depositories as may be designated by the Board of Directors. He shall disburse the funds of the Corporation as may be ordered by the Board of Directors, shall render to the President and Directors, whenever they request it, an account of all of his transactions as Treasurer and of the financial condition of the

Corporation, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors, the President or these Bylaws. If required by the Board of Directors, he shall give the Corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of his office and for the restoration to the Corporation, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Corporation.

The Treasurer may delegate any or all of the above duties at his discretion.

Section 5.10. Corporate Bank Accounts. Bank accounts in the name of the Corporation may be opened without the approval of the Board of Directors if opened with the consent of both the President and Treasurer of the Corporation. The Treasurer shall inform the Board of Directors of any bank account opened by the President and Treasurer of the Corporation pursuant to the authority granted in this section at the next meeting of the Board of Directors.

Section 5.11. Transfers of Authority. In case of the absence of any Officer of the Corporation, or for any reason that the Board of Directors may consider sufficient, the Board of Directors may transfer the powers or duties of that Officer to any other Officer or to any Director or employee of the Corporation, provided a majority of the full Board of Directors concurs.

ARTICLE VI

Miscellaneous

Section 6.01. Record Date and Closing Stock Books. The Board of Directors may fix a time in the future, as a record date for the determination of the shareholders, or entitled to receive any dividend or distribution, or any allotment of rights, or to exercise rights in respect to any change, conversion or exchange of shares. The record date so fixed shall not be more than fifty (50) days prior to the date of the meeting or event for the purposes of which it is fixed. When a record date is so fixed, only shareholders of record on that date shall be entitled to notice of and to vote at the meeting, or to receive the dividend, distribution or allotment of rights, or to exercise the rights, as the case may be, notwithstanding any transfer of any shares on the books of the Corporation after the record date. The Board of Directors may close the books of the Corporation against transfers of shares during the whole or any part of any such fifty (50) day period.

Section 6.02. Inspection of Corporate Records. The share register or duplicate share register, the books of account and minutes of proceedings of the shareholders and the Board of Directors and the Executive Committee, if any, shall be open to inspection upon the written demand of any shareholder or holder of a voting trust certificate, at any reasonable time, and for a purpose reasonably related to his interests as a shareholder or as the holder of a voting trust certificate, and shall be exhibited at any time when required by the demand at any shareholders' meeting of fifty percent (50%) of the shares represented at the meeting. Such inspection may be made in person or by an agent or attorney, and shall include the right to make extracts. Demand of inspection other than at a shareholders' meeting shall be made in writing upon the President, Secretary or Assistant Secretary or general manager if any, of the Corporation.

Section 6.03. Checks, Drafts, etc. All checks, drafts, bonds, bills of exchange, or other orders for payment of money, notes, or other evidences of indebtedness issued in the name of or payable to the Corporation shall be signed or endorsed by such person or persons and in such manner as, from time to time, shall be determined by resolution of the Board of Directors.

Section 6.04. Contracts, etc., How Executed. The Board of Directors, except as in these Bylaws otherwise provided, may authorize any officer or officers, agent or agents to enter into any contract or execute any instrument or document in the name or on behalf of the Corporation, and such authority may be general or confined to specific instances. Unless otherwise specifically determined by the Board of Directors or otherwise required by law, formal contracts, promissory notes and other evidences of indebtedness, deeds of trust, mortgages and corporate instruments or documents requiring the corporate seal, and certificates for shares of stock owned by the Corporation shall be executed, signed or endorsed by the President or any Vice President and by the Secretary (or any Assistant Secretary) or the Treasurer (or any Assistant Treasurer). The Board of Directors may, however, authorize any one (1) of such officers to sign any of such instruments, for and on behalf of the Corporation, without necessity of countersignature; may designate officers or employees of the Corporation, other than those named above, who may, in the name of the Corporation, sign such instruments; and may authorize the use of facsimile signatures or any of such persons. No officer, agent or employee shall have any power or authority to bind the

Corporation by any contract or engagement or to pledge its credit to render it liable for any purpose or to any amount except as specifically authorized in these Bylaws or by the Board of Directors in accordance with these Bylaws.

Section 6.05. Certificates of Stock. A certificate or certificates for shares of the capital stock of the Corporation shall be issued to each shareholder when any such shares are fully paid up. All such certificates shall be signed by the President or a Vice President and the Secretary or an Assistant Secretary or be authenticated by facsimiles of the signatures of the President and Secretary or by a facsimile of the signature of the President and the written signature of the Secretary or an Assistant Secretary. Before it becomes effective every certificate authenticated by a facsimile of a signature must be countersigned by a transfer agent or transfer clerk and registered by an incorporated bank or trust company, either domestic or foreign, as registrar of transfers, as required or permitted by law.

Each stock certificate issued by the corporation shall be endorsed with a legend reading substantially as follows: The shares of stock represented by this certificate are subject to the provisions of the corporation's Articles of Incorporation. The Articles of Incorporation, among other things, give both the corporation and the other shareholders of the corporation a preemptive and prior first right of refusal option in the event that a shareholder desires to effect a sale, assignment, transfer, hypothecation or other disposition of stock; create certain transfer restrictions relative to stock; and restrict the right of shareholders to pledge, collaterally assign or otherwise encumber stock. The foregoing list of provisions is not intended to be, nor is it complete. By acceptance of this certificate, the holder hereof agrees to be bound by the terms of, and agrees to attorn to the provisions of, the Articles of Incorporation.

In case any officer or officers who shall have signed, or whose facsimile signature or signatures shall have been used on, any such certificate or certificates shall cease to be such officer or officers of the Corporation, whether because of death, resignation or otherwise, before such certificate or certificates shall have been delivered by the Corporation, such certificate or certificate may nevertheless be adopted by the Corporation and be issued and delivered as though the person or persons who signed such certificate or certificate, or whose facsimile signature or signatures shall have been used thereon, had not ceased to be the Officer or Officers of such Corporation.

Certificates for shares may be issued prior to full payment under such restrictions and for such purposes as the Board of Directors or these Bylaws may provide; provided, however, that any such certificate so issued prior to full payment shall state the amount remaining unpaid and the terms of payment thereof.

Section 6.06. Lost Certificates of Stock. The Board of Directors may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the Corporation alleged to have been lost, destroyed, or stolen, upon the making of an affidavit of the fact by the person claiming the certificate of stock to be lost or destroyed. When authorizing

such issue of a new certificate or certificates, the Board of Directors may, in its discretion, and as a condition precedent to the issuance thereof, require the owner of such lost or destroyed certificate or certificates, or his legal representative, to advertise the same in such manner as it shall require and/or give the corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the Corporation with respect to the certificate alleged to have been lost or destroyed.

Section 6.07. Representation of Shares of Other Corporations. The President or any Vice President and the Secretary or any Assistant Secretary of this Corporation are authorized to vote, represent and exercise on behalf of this Corporation all rights incident to any and all shares of any other corporation or corporations standing in the name of this Corporation. The authority herein granted to said officers to vote or represent on behalf of this Corporation any and all shares held by this Corporation in any other corporation or corporations may be exercised either by such officers in person or by any persons authorized so to do by proxy or power of attorney duly executed by said officers.

Section 6.08. Inspection of Bylaws. The Corporation shall keep in its principal office for the transaction of business the original or a copy of the Bylaws as amended or otherwise altered to date, certified by the Secretary, which shall be open to inspection by the shareholders at all reasonable times during office hours.

ARTICLE VII

Amendments

Section 7.01. Power of Shareholders. New Bylaws may be adopted or these Bylaws may be amended or repealed by the vote or written assent of shareholders entitled to exercise a majority of the voting power of the Corporation, except as otherwise provided by law or by the Articles of Incorporation.

Section 7.02. Power of Directors. Bylaws may be adopted, amended, or repealed by the Board of Directors; provided, however, that a Bylaw or amendment thereof changing the authorized number of Directors may be adopted, amended or repealed only by the shareholders, except that if a flexible number of Directors is authorized by the Articles of Incorporation or these Bylaws, a Bylaw or amendment thereof fixing the exact number of Directors within the limits specified in the Articles of Incorporation or these Bylaws may be adopted, amended or repealed by the Board of Directors.

CERTIFICATE OF SECRETARY

I, the undersigned, do hereby certify:

1. That I am the duly elected Secretary of **PACIFIC FIBER LINK
POR-SAC, INC.;**
2. That the foregoing Bylaws, consisting of Seventeen (17) pages, including this page, constitute the Bylaws of said Corporation as duly adopted at a meeting of the Board of Directors thereof duly held on the 31st day of August, 1998.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Corporation this 31st day of August, 1998.

(SEAL)



SECRETARY

04/07/99 10:51

FILED 15:18

THE OFFICE OF THE
SECRETARY OF STATE OF THE
STATE OF NEVADA

APR 01 1999

C 13871-98

DEAN HELLER, SECRETARY OF STATE

ARTICLES OF MERGER

These Articles of Merger are made this 23rd day of March, 1999, between Pacific Fiber Link Por-Sac, Inc., a Nevada corporation (sometimes referred to herein as the "Nevada Corporation" or the "Surviving Corporation") and Pacific Fiber Link, LLC, a Washington limited liability company (sometimes referred to herein as the "Washington LLC" or the "Merged Company").

RECITALS

A. The Nevada Corporation is a corporation duly organized and existing under the laws of the State of Nevada with its registered office located at 1575 Delucchi Lane, Ste. 224, Reno, Nevada 89502.

B. The Washington LLC is a limited liability company duly organized and existing under the laws of the State of Washington with its registered office located at 1420 Fifth Avenue, Ste. 3510, Seattle, Washington 98101-4031.

C. The Nevada Corporation and the Washington LLC deem it desirable and in their best interests that the Washington LLC be merged into the Nevada Corporation in accordance with the provisions of Chapter 92A of the Nevada Revised Statutes.

I.

An agreement and plan of merger has been approved and adopted by the Nevada Corporation, through its board of directors, and submitted and approved by its stockholders pursuant to Chapter 92A of the Nevada Revised Statutes as set forth below:

Designation of Shares:	Common
Number of Votes Entitled to be Cast:	100
Number of Votes for Plan:	100
Number of Votes Against Plan:	0

The number of votes of the stockholders for the plan was sufficient for approval.

II.

An agreement and plan of merger has been approved and adopted by the Washington LLC, through its managing member and management committee, and submitted and approved unanimously by its sole member possessing a 100% membership interest, pursuant to the laws of the State of Washington.

III.

The Articles of Incorporation of the Surviving Corporation shall continue to be its Articles of Incorporation, except that according to the agreement and plan of merger Article I is amended to read:

I. NAME

The name of the corporation is WORLDWIDE FIBER NETWORKS, INC.

IV.

The complete executed agreement and plan of merger is on file at the registered office of the Surviving Corporation: 1575 Delucchi Lane, Ste. 224, Reno, Nevada 89502.

V.

On the effective date of the merger, the separate existence of the Merged Company shall cease, and the Surviving Corporation shall succeed to all the rights, privileges, immunities, and franchises, and all the property, real, personal, and mixed, of the Merged Company, without the necessity for any separate transfer. The Surviving Corporation shall thereafter be responsible and liable for all liabilities and obligations of the Merged Company, and neither the rights of creditors nor any liens on the property of the Merged Company shall be impaired by the merger.

VI.

The merger takes effect upon the filing of these Articles of Merger.

PACIFIC FIBER LINK FOR-SAC, INC.

By: _____

Henry Tharp
Henry Tharp, President

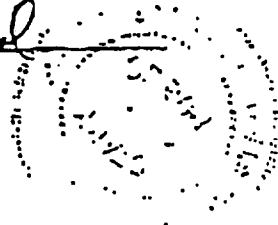
By: _____

Ron Stevenson
Ron Stevenson, Secretary

STATE OF Colorado) ss.
COUNTY OF Adams

On this 26 day of March, 1999, personally appeared before me, a Notary Public, JERRY THARP, who acknowledged to me that he executed the foregoing ARTICLES OF MERGER.

[Signature]
NOTARY PUBLIC



~~PROVINCE~~
~~STATE OF~~ British Columbia) ss.
COUNTY OF Vancouver

On this 23rd day of March, 1999, personally appeared before me, a Notary Public, RON STEVENSON, who acknowledged to me that he executed the foregoing ARTICLES OF MERGER.

[Signature]
NOTARY PUBLIC

BRUCE TATLER
BARRISTER & SOLICITOR
KENNY & MURPHY
P.O. Box 48808
1111 WEST CHERRILL STREET
VANCOUVER, B.C. CANADA V7X 1K3

CERTIFICATE OF AMENDMENT
OF
ARTICLES OF INCORPORATION
OF
WORLDWIDE FIBER NETWORKS, INC.

WORLDWIDE FIBER NETWORKS, INC., a corporation organized and existing under the laws of the State of Nevada, and its Articles of Incorporation originally filed with the Secretary of State for the State of Nevada on June 12, 1998, DOES HEREBY CERTIFY:

FIRST: That by written consent of the Board of Directors of Worldwide Fiber Networks, Inc., the following resolutions were duly adopted:

RESOLVED, that Article I of the Articles
of Incorporation be amended as follows:

I. NAME

The name of the corporation is **360networks (USA) inc.**

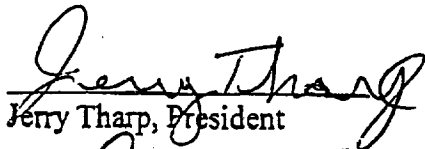
SECOND: The total number of outstanding shares having voting power of the corporation is 200, and the total number of votes entitled to be cast by the holders of all of said outstanding shares is 200.

THIRD: The holders of all of the aforesaid total number of outstanding shares having voting power, to wit, shares, dispensed with the holding of a meeting of the stockholders and adopted the amendment herein certified by a consent in writing signed by all of them.

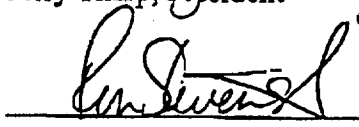
DATED this 25th day of May, 2000.

WORLDWIDE FIBER NETWORKS, INC.

By: _____


Jerry Tharp, President

By: _____


Ron Stevenson, Secretary

PROVINCE OF Colorado)
CITY OF Denver)



My Comm. Expires 1-9-2001

On this 4th day of May, 2000, personally appeared before me, a Notary Public, JERRY THARP, who acknowledged to me that he executed the foregoing CERTIFICATE OF AMENDMENT OF ARTICLES OF INCORPORATION OF WORLDWIDE FIBER NETWORKS, INC.

Katherine L. Marschall
NOTARY PUBLIC

PROVINCE OF British Columbia)
CITY OF Vancouver)

On this 25th day of May, 2000, personally appeared before me, a Notary Public, RON STEVENSON, who acknowledged to me that he executed the foregoing CERTIFICATE OF AMENDMENT OF ARTICLES OF INCORPORATION OF WORLDWIDE FIBER NETWORKS, INC.

Ron Stevenson
NOTARY PUBLIC

CONSENT RESOLUTION
OF
BOARD OF DIRECTORS
OF
WORLDWIDE FIBER (USA), INC.

The undersigned being the members of the Board of Directors of Worldwide Fiber (USA), Inc., a Nevada corporation, pursuant to NRS 78.315(2), hereby consent to the adoption of the following resolutions:

RESOLVED, that the articles of incorporation be amended to reflect a change of the name of the corporation to:

"360networks holdings (USA) inc."

RESOLVED, that the President or Secretary of the corporation be, and they hereby are, authorized and empowered to execute any and all other instruments and certificates, and to do and perform all other acts and things necessary, or by them deemed desirable, to effectuate the purposes of the foregoing resolutions.

DATED this 25th day of May, 2000.



David Lede, Director

Clifford Lede, Director



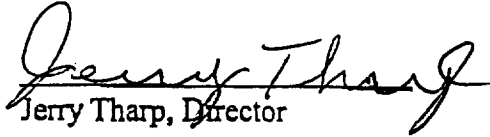
Larry Olsen, Director



Ronald Stevenson, Director



Stephen Stow, Director



Jerry Tharp, Director

Lionel Desmarais, Director

CERTIFICATE OF AMENDMENT

OF

ARTICLES OF INCORPORATION

OF

WORLDWIDE FIBER (USA), INC.

WORLDWIDE FIBER (USA), INC., a corporation organized and existing under the laws of the State of Nevada, and its Articles of Incorporation originally filed with the Secretary of State for the State of Nevada on August 7, 1998, DOES HEREBY CERTIFY:

FIRST: That by written consent of the Board of Directors of Worldwide Fiber (USA), Inc., the following resolutions were duly adopted:

RESOLVED, that Article I of the Articles of Incorporation be amended as follows:

I. NAME

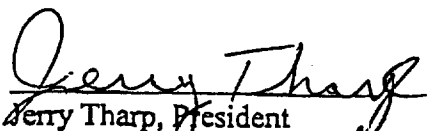
The name of the corporation is **360networks holdings (USA) inc.**

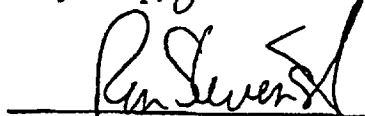
SECOND: The total number of outstanding shares having voting power of the corporation is 200, and the total number of votes entitled to be cast by the holders of all of said outstanding shares is 200.

THIRD: The holders of all of the aforesaid total number of outstanding shares having voting power, to wit, shares, dispensed with the holding of a meeting of the stockholders and adopted the amendment herein certified by a consent in writing signed by all of them.

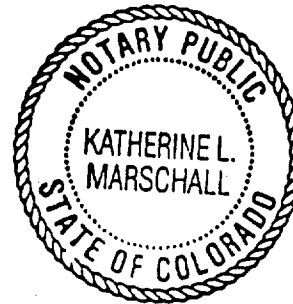
DATED this 25th day of May, 2000.

WORLDWIDE FIBER (USA), INC.

By: 
Jerry Tharp, President

By: 
Ron Stevenson, Secretary

PROVINCE OF Colorado)
CITY OF Denver)



My Comm. Expires 1-9-2008

On this 25th day of May, 2000, personally appeared before me, a Notary Public, JERRY THARP, who acknowledged to me that he executed the foregoing CERTIFICATE OF AMENDMENT OF ARTICLES OF INCORPORATION OF WORLDWIDE FIBER (USA), INC.

Katherine L. Marschall
NOTARY PUBLIC

PROVINCE OF British Columbia)
CITY OF Vancouver)

On this 25th day of May, 2000, personally appeared before me, a Notary Public, RON STEVENSON, who acknowledged to me that he executed the foregoing CERTIFICATE OF AMENDMENT OF ARTICLES OF INCORPORATION OF WORLDWIDE FIBER (USA), INC.

Ron Stevenson
NOTARY PUBLIC

CONSENT RESOLUTION
OF
BOARD OF DIRECTORS
OF
WORLDWIDE FIBER NETWORKS, INC.

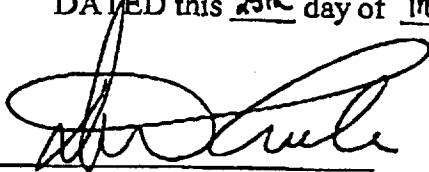
The undersigned being the members of the Board of Directors of Worldwide Fiber Networks, Inc., a Nevada corporation, pursuant to NRS 78.315(2), hereby consent to the adoption of the following resolutions:

RESOLVED, that the articles of incorporation be amended to reflect a change of the name of the corporation to:

"360networks (USA) inc."

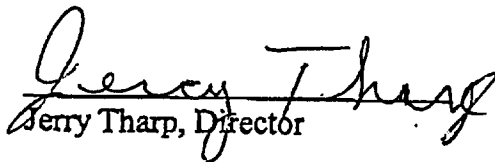
RESOLVED, that the President or Secretary of the corporation be, and they hereby are, authorized and empowered to execute any and all other instruments and certificates, and to do and perform all other acts and things necessary, or by them deemed desirable, to effectuate the purposes of the foregoing resolutions.

DATED this 25th day of May, 2000.

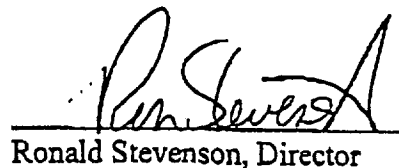


David Lede, Director

Clifford Lede, Director



Jerry Tharp, Director



Ronald Stevenson, Director

EXHIBIT "B"
FOREIGN CORPORATION QUALIFICATION

Secretary of State
Corporations Section
K. Polk Building, Suite 1800
Nashville, Tennessee 37243-0306

DATE: 07/31/00
REQUEST NUMBER: 3963-1244
TELEPHONE CONTACT: (615) 741-2286
FILE DATE/TIME: 07/28/00 1122
EFFECTIVE DATE/TIME: 07/28/00 1630
CONTROL NUMBER: 0373672

1: CAPITAL FILING SERVICE INC.
P.O. BOX 333
151 HWY 70 SOUTH
NASHVILLE, TN 37221

2: 360NETWORKS (USA) INC.
APPLICATION FOR AMENDED CERTIFICATE OF
AUTHORITY - FOR PROFIT

HIS WILL ACKNOWLEDGE THE FILING OF THE ATTACHED DOCUMENT WITH AN
EFFECTIVE DATE AS INDICATED ABOVE.

WHEN CORRESPONDING WITH THIS OFFICE OR SUBMITTING DOCUMENTS FOR
FILING, PLEASE REFER TO THE CORPORATION CONTROL NUMBER GIVEN ABOVE.

FOR: APPLICATION FOR AMENDED CERTIFICATE OF
AUTHORITY - FOR PROFIT

ON DATE: 07/31/00

FROM:
C T CORPORATION SYSTEM (SEATTLE, WA.)
520 PIKE
SUITE 2610
SEATTLE, WA 98101-0000

RECEIVED: FRES \$20.00 \$0.00
TOTAL PAYMENT RECEIVED: \$20.00

RECEIPT NUMBER: 00002718504
ACCOUNT NUMBER: 00000024



Riley C Darnell

RILEY C DARNELL

Secretary of State

Corporations Section

James K. Polk Building, Suite 1800
Nashville, Tennessee 37243-0306

DATE: 07/08/99
REQUEST NUMBER: 3710-0596
TELEPHONE CONTACT: (615) 741-2286
FILE DATE/TIME: 07/08/99 1120
EFFECTIVE DATE/TIME: 07/08/99 1120
CONTROL NUMBER: 0373672

TO:
WORLDWIDE FIBER NETWORKS, INC.
1575 DELUCCHI LANE
STE 224
RENO, NV 89502

RE:
WORLDWIDE FIBER NETWORKS, INC.
APPLICATION FOR CERTIFICATE OF AUTHORITY -
FOR PROFIT

WELCOME TO THE STATE OF TENNESSEE. THE ATTACHED CERTIFICATE OF
AUTHORITY HAS BEEN FILED WITH AN EFFECTIVE DATE AS INDICATED ABOVE.

A CORPORATION ANNUAL REPORT MUST BE FILED WITH THE SECRETARY OF STATE
ON OR BEFORE THE FIRST DATE OF THE FOURTH MONTH FOLLOWING THE CLOSE OF THE
CORPORATION'S FISCAL YEAR. PLEASE PROVIDE THIS OFFICE WITH WRITTEN
NOTIFICATION OF THE CORPORATION'S FISCAL YEAR. THIS OFFICE WILL MAIL THE
REPORT DURING THE LAST MONTH OF SAID FISCAL YEAR TO THE CORPORATION AT THE
ADDRESS OF ITS PRINCIPAL OFFICE OR TO A MAILING ADDRESS PROVIDED TO THIS
OFFICE IN WRITING. FAILURE TO FILE THIS REPORT OR TO MAINTAIN A REGISTERED
AGENT AND OFFICE WILL SUBJECT THE CORPORATION TO ADMINISTRATIVE REVOCATION
OF ITS CERTIFICATE OF AUTHORITY.

WHEN CORRESPONDING WITH THIS OFFICE OR SUBMITTING DOCUMENTS FOR
FILING, PLEASE REFER TO THE CORPORATION CONTROL NUMBER GIVEN ABOVE.

FOR: APPLICATION FOR CERTIFICATE OF AUTHORITY -
FOR PROFIT

ON DATE: 07/08/99

FROM:
C T CORPORATION SYSTEM (SEATTLE, WA.)
520 PIKE
SUITE 2610
SEATTLE, WA 98101-0000

RECEIVED: FEES \$600.00 \$0.00
TOTAL PAYMENT RECEIVED: \$600.00

RECEIPT NUMBER: 00002519307
ACCOUNT NUMBER: 00000024



Riley C. Darnell

RILEY C. DARNELL
SECRETARY OF STATE

EXHIBIT "C"
FINANCIAL INFORMATION

AUDITORS' REPORT

To the Directors and Shareholders of
360networks Inc. (formerly Worldwide Fiber Inc.)

We have audited the consolidated balance sheets of *360networks Inc.* (formerly Worldwide Fiber Inc.) as at December 31, 1999 and 1998 and the consolidated income statements and statements of changes in shareholders' equity and cash flows for the year ended December 31, 1999 and for the period from February 5, 1998 (date of incorporation) to December 31, 1998. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards in the United States. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 1999 and 1998 and the results of its operations and its cash flows for the year ended December 31, 1999 and for the period from February 5, 1998 (date of incorporation) to December 31, 1998 in accordance with generally accepted accounting principles in the United States.

On February 25, 2000 except for Note 16 which is as of March 20, 2000, we reported separately to the Directors of *360networks Inc.* on consolidated financial statements for the year ended December 31, 1999 and period from February 5, 1998 (date of incorporation) to December 31, 1998 prepared in accordance with generally accepted accounting principles in Canada.

PricewaterhouseCoopers LLP

Vancouver, Canada
February 25, 2000 except for Note 15 which is
as of March 20, 2000

360networks Inc.
(formerly Worldwide Fiber Inc.)

Consolidated Balance Sheets

As at December 31, 1999 and 1998

(tabular amounts expressed in thousands of U.S. dollars)

	1999	1998
Assets		
Current assets		
Cash and cash equivalents	\$ 521,362	\$ 156,366
Short term investments	21,167	—
Accounts receivable (note 4)	35,351	3,272
Unbilled revenue (note 4)	115,661	10,582
Inventory (note 4)	196,959	29,230
Due from parent-net (note 6)	—	13,412
Deferred tax asset (note 11)	8,838	—
	899,338	212,862
Property and equipment—net (note 4)	77,009	4,014
Assets under construction	300,403	11,461
Deferred tax asset (note 11)	12,040	1,273
Deferred financing costs—net	22,199	6,650
	<u>\$1,310,989</u>	<u>\$ 236,260</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (notes 4 and 6)	\$ 191,178	\$ 20,296
Deferred revenue	18,831	13,651
Income taxes payable	64,343	7,609
	244,352	41,556
Deferred tax liability (note 11)	3,073	—
Senior notes (note 7)	675,000	175,000
	922,425	216,556
Minority Interest	8,876	1,443
Redeemable Convertible Preferred Stock		
Authorized:		
100,000,000 Series A Non-Voting Redeemable Convertible Preferred Shares		
100,000,000 Series B Subordinate Voting Redeemable Convertible Preferred Shares		
45,000,000 Series C Redeemable Preferred Shares, no par value		
Issued and outstanding:		
150,951,312 (1998—nil) Series A Non-Voting Redeemable Convertible Preferred Shares		
(including accretion of discount from redemption value of \$6,465,000 and net of issuance costs of \$1,638,000) (note 8)	349,827	—
Shareholders' Equity		
Capital stock (note 9)		
Authorized:		
Unlimited number of Class A Non-Voting, Class B Subordinate Voting and Class C Multiple Voting Shares, no par value		
Issued and outstanding:		
353,426,400 (1998—nil) Class A Non-Voting Shares	236,438	—
62,629,600 (1998—80,004,800) Class B Subordinate Voting Shares	10,455	7,400
81,840,000 (1998—nil) Class C Multiple Voting Shares	45,232	—
Other capital accounts	(221,387)	1,841
(Deficit) retained earnings	(40,875)	9,020
	29,861	18,261
	<u>\$1,310,989</u>	<u>\$ 236,260</u>
Commitments (note 14)		
Subsequent events (note 15)		

The accompanying notes are an integral part of these consolidated financial statements.

360networks Inc.
(formerly Worldwide Fiber Inc.)

Consolidated Income Statements

For the year ended December 31, 1999 and period from
February 5, 1998 (date of incorporation) to December 31, 1998.
The Company's operations commenced on June 1, 1998

(tabular amounts expressed in thousands of U.S. Dollars except per share amounts)

	1999	1998
Revenue	\$ 359,746	\$ 164,319
Costs	250,612	147,621
Gross profit	<u>109,134</u>	<u>16,698</u>
Expenses		
Selling, general and administrative	21,846	2,274
Stock-based compensation	7,116	—
Depreciation	2,998	464
	<u>31,960</u>	<u>2,738</u>
	77,174	13,960
Interest expense	33,908	492
Interest income	18,122	267
Income before equity income, income taxes and minority interest	61,388	13,735
Equity income (note 5)	—	928
Income before income taxes and minority interest	61,388	14,663
Provision for income taxes (note 11)		
Current	40,338	5,643
Deferred	(10,024)	—
	<u>30,314</u>	<u>5,643</u>
	31,074	9,020
	7,434	—
Minority interest	<u>\$ 23,640</u>	<u>\$ 9,020</u>
Net income for the period	\$ (0.03)	\$ 0.43
Basic and fully diluted (loss) earnings per share (note 2)		
Weighted average number of shares used to compute basic and fully diluted (loss) earnings per share	327,313,808	20,964,178

The accompanying notes are an integral part of these consolidated financial statements.

360networks Inc.

(formerly Worldwide Fiber Inc.)

Consolidated Statements of Changes in Shareholders' Equity

For the year ended December 31, 1999 and
period from February 5, 1998 (date of incorporation) to December 31, 1998

(tabular amounts expressed in thousands of U.S. dollars)

	Class A Non-Voting Shares		Class B Subordinate Voting Shares (formerly Class A common shares)		Class C Multiple Voting Shares		Other Capital Accounts				(Deficit) Retained earnings	Total shareholders' equity
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Note receivable	Additional paid in capital	Deferred compensation	Accumulated other comprehensive income		
Balance, February 5, 1998	—	\$ —	—	\$ —	—	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Incorporation shares issued, February 5, 1998			1,600	—								—
Issuance of shares for certain Leducor assets with deferred tax asset (note 5)			3,200	7,400				1,083				8,483
Issuance of shares for investments (note 5)			80,000,000	—								—
Excess of proceeds over cost on fiber optic strands to be reacquired from parent company (note 1)								1,154				1,154
Comprehensive Income											9,020	
Net earnings for the period												
Accumulated other comprehensive income-foreign currency translation										(401)		8,619
Total comprehensive income								2,242		(401)	9,020	13,261
Balance, December 31, 1998			80,004,800	7,400								
Issuance of shares for certain Leducor assets with deferred tax asset (note 1)			319,995,200	25,019								25,019
Repurchase of Class B Subordinate Voting Shares in exchange for Class B Subordinate Voting Shares and Series C Redeemable Preferred Shares (note 9)			(400,000,000)	(32,419)								(32,419)
Issuance of shares for cash (note 9)			381,496,000	32,419					(2,832)			32,419
Redemption of Series C Redeemable Preferred Shares and stock dividend (note 9)			2,400,000	5,832							(45,000)	(45,000)
Issuance of shares for certain Leducor assets with deferred tax asset (note 1)					72,000,000	5,872		(2,242)				3,630
Issuance of shares (note 9)	52,160,000	208,640			9,840,000	39,360	(77,500)		(170,500)			—
Conversion of Class B Subordinate Voting Shares to Class A Non-Voting Shares (note 9)	301,266,400	27,796	(301,266,400)	(27,796)							(6,465)	(6,465)
Accretion of Preferred Stock to redemption value											(22,070)	—
Purchase price adjustment to Preferred Shares								22,070				—
Employee option grants								22,337	(22,337)			—
Amortization of deferred compensation expense									7,116			7,116
Comprehensive Income											23,640	
Net income for the period												
Accumulated other comprehensive income-foreign currency translation										660		24,300
Total comprehensive income											\$ 259	\$ 29,661
Balance, December 31, 1999	353,428,400	\$236,436	82,629,600	\$ 10,455	81,840,000	\$45,232	\$ (77,500)	\$ 44,407	\$ (188,553)	\$ 259	\$ (40,875)	\$ 29,661

The accompanying notes are an integral part of these consolidated financial statements.

360networks Inc.
(formerly Worldwide Fiber Inc.)

Consolidated Statements of Cash Flows

For the year ended December 31, 1999 and period from February 5, 1998

(date of Incorporation) to December 31, 1998

(tabular amounts expressed in thousands of U.S. dollars)

	1999	1998
Cash flows used in operating activities		
Net income for the year	\$ 23,640	\$ 9,020
Adjustments to reconcile net income to net cash used for operating activities		
Depreciation	2,998	464
Amortization of deferred financing costs	1,732	—
Equity income	—	(928)
Stock-based compensation	7,116	—
Changes in operating working capital items		
Accounts receivable	(31,887)	(196)
Unbilled revenue	(103,597)	(992)
Inventory	(164,713)	(5,517)
Due from parent	13,841	(16,230)
Accounts payable and accrued liabilities	151,420	2,904
Deferred revenue	(14,008)	13,708
Income taxes payable	26,405	6,491
Advances to WFI USA	—	(21,783)
Deferred income taxes	(10,024)	—
	<u>(97,077)</u>	<u>(13,059)</u>
Cash flows (used in) from investing activities		
Additions to assets under construction	(283,598)	—
Additions to property and equipment	(16,518)	(1,065)
Purchase of short-term investments	(21,167)	—
Cash acquired on acquisition of WFI USA	—	2,242
	<u>(321,283)</u>	<u>1,177</u>
Cash flows from financing activities		
Proceeds from issuance of capital stock	348,000	—
Proceeds from issuance of notes	500,000	175,000
Deferred financing costs	(17,281)	(6,650)
Redemption of Series C Redeemable Preferred Shares	(45,000)	—
	<u>785,719</u>	<u>168,350</u>
Effect of exchange rate changes on cash	(2,363)	(102)
Net increase in cash and cash equivalents	<u>364,996</u>	<u>156,366</u>
Cash and cash equivalents, beginning of period	156,366	—
Cash and cash equivalents, end of period	<u>\$ 521,362</u>	<u>\$156,366</u>

The accompanying notes are an integral part of these consolidated financial statements.

360networks Inc.
(formerly Worldwide Fiber Inc.)
Notes to Consolidated Financial Statements
December 31, 1999 and 1998

(tabular amounts expressed in thousands of U.S. dollars)

1. The Company

360networks inc. (formerly Worldwide Fiber Inc.) (the "Company") was incorporated on February 5, 1998 and is indirectly a subsidiary of Leducor Inc. On May 31, 1998 the Company began its operations after certain assets of the Telecommunications Division ("Division") of Leducor Industries Limited ("Leducor"), a Leducor Inc. subsidiary were transferred to the Company. Prior to May 31, 1998, the operations were carried out by the Division.

The Company's operations consist of designing, engineering, constructing and installing terrestrial and marine fiber optic systems for sale or lease to third parties or for its own use. For the period ended December 31, 1998, the Company's revenues related primarily to the Construction Services Agreements with Leducor (see note 1(b)). For the year ended December 31, 1999, the Company's revenue is derived primarily from the construction of fibre optic network assets for telecommunications companies in North America.

Transactions with Leducor and its affiliates

a) On May 31, 1998, the Company entered into undertaking agreements whereby certain fiber optic network assets, located in Canada and the U.S. would be transferred to the Company by Leducor in exchange for 319,995,200 Class A Non-Voting Shares. The Company constructed these assets for Leducor under the Construction Services Agreements noted below. Construction of the assets was substantially complete at December 31, 1998 and the Company completed the exchange on March 31, 1999. This transaction was accounted for using the carrying values reported in the accounts of Leducor as a transaction between a parent and a wholly owned subsidiary and accordingly, the fixed assets acquired by the Company are recorded at the carrying amount of the assets in the accounts of Leducor. The cost of property and equipment acquired at March 31, 1999 amounted to \$21,883,000. As a result of the transaction, the Company also received a deferred tax benefit of \$3,136,000 which is reflected as a deferred tax asset.

On May 28, 1999, the Company entered into an agreement with affiliates of Leducor, whereby the Company would acquire certain fiber optic network assets. Closing occurred on September 27, 1999. As consideration, the Company issued 72,000,000 Class C Multiple Voting Shares to affiliates of Leducor. In addition, the Company assumed certain rights and obligations under build agreements with a third party including obligations relating to the completion of those builds and certain support structure, maintenance, license and access, and underlying rights obligations. The cost of the property and equipment acquired amounted to \$25,289,000, the cost of the assets in the accounts of Leducor. The Company also received a deferred tax benefit of \$3,341,000, as a result of a higher tax cost versus accounting cost of fixed assets. The Company also recorded deferred revenue of \$25,000,000 relating to a build commitment assumed from Leducor.

b) Construction Services Agreements entered into May 31, 1998, to provide construction services to Leducor to complete various projects including completion of the fiber optic network assets to be transferred to the Company. As the Company is required to obtain the fiber optic

360networks Inc.
(formerly Worldwide Fiber Inc.)
Notes to Consolidated Financial Statements (Continued)
December 31, 1999 and 1998
(tabular amounts expressed in thousands of U.S. dollars)

network assets from Leducor, the revenues and costs associated with this portion of the agreement have not been reflected in the income statement for the period ended December 31, 1998. The costs to construct the network were reflected on completion of construction and the issuance of the shares. As at December 31, 1998, the Company had billed Leducor \$18,138,000 for the services related to construction of the fiber optic network assets which exceeds their costs by \$2,099,000. This excess, net of income taxes of \$945,000, had been excluded from the consolidated income statement and had been reported as additional paid in capital.

c) A Management Services Agreement was entered into May 31, 1998 whereby Leducor provides the Company with management staff, administrative and other support services. The Company reimburses Leducor for direct costs and pays Cdn. \$200,000 per month for the Company's share of corporate overheads.

d) Employee Services Agreements were entered into May 31, 1998 whereby the Company obtains the services of certain employees from Leducor on a cost reimbursement basis.

e) The Company has entered into an agreement with Leducor, whereby personnel of Leducor who were involved in the designing and planning of the transatlantic 360atlantic cable stations will oversee management and supervision of construction of these facilities for a fee to Leducor of approximately \$1,700,000.

2. Summary of significant accounting policies

Basis of presentation

These consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States and include the accounts of the Company, its wholly owned subsidiaries and its 75% interests in Worldwide Fiber (USA), Inc. ("WFI USA"), WFI-CN Fiber Inc. and Worldwide Fiber IC LLC. All significant intercompany transactions and balances have been eliminated on consolidation. For investments where the Company exercises significant influence, the investment is accounted for using the equity method.

On December 31, 1998, the Company increased its interest in WFI USA from 50% to 75% (note 5). The 1998 consolidated income statement and statement of cash flows accounted for the Company's initial 50% interest in WFI USA using the equity method for the period May 31, 1998 to December 31, 1998. The Company's consolidated balance sheets include WFI USA's assets and liabilities, and minority interest therein.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses for the period reported. Actual results could differ from those estimates.

360networks Inc.
(formerly Worldwide Fiber Inc.)
Notes to Consolidated Financial Statements (Continued)
December 31, 1999 and 1998
(tabular amounts expressed in thousands of U.S. dollars)

Cash and cash equivalents

Cash and cash equivalents consists of cash on deposit and highly liquid short-term interest bearing securities with maturity at the date of purchase of three months or less.

Short term Investments

Short term investments consist of highly liquid short term interest bearing securities with maturities at the date of purchase greater than three months. Interest earned is recognized immediately in the income statement.

Property and equipment

Fiber optic network assets constructed for the Company's own use are recorded as property and equipment when the asset is fully constructed. Fiber optic network assets, construction equipment and other property and equipment are recorded at cost. Property and equipment are depreciated using the following rates and methods:

- (a) Fiber optic network assets—straight-line method over 25 years.
- (b) Equipment—hourly usage rates, estimated to depreciate the equipment over the estimated useful lives of the equipment.

Assets under construction

Assets under construction include fiber optic network assets constructed for the Company's own use and include direct expenditures of materials and labour, indirect costs attributable to the projects and interest.

Long-lived assets

The company reviews the carrying amount of long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The determination of any impairment would include a comparison of estimated future operating cash flows anticipated to be generated during the remaining life of the asset to the net carrying value of the asset.

Inventory

Inventory consists of fiber optic network assets to be sold or leased under sales-type leases, construction supplies and small tools.

Fiber optic network assets are recorded at the lower of cost and market. Cost includes direct materials and subcontractor charges, labour, and interest (see "capitalization of interest") determined on an average cost basis.

Construction supplies and small tools inventory are recorded at the lower of cost and replacement value.

360networks Inc.
(formerly Worldwide Fiber Inc.)
Notes to Consolidated Financial Statements (Continued)
December 31, 1999 and 1998
(tabular amounts expressed in thousands of U.S. dollars)

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360networks Inc.
(formerly Worldwide Fiber Inc.)
Notes to Consolidated Financial Statements (Continued)
December 31, 1999 and 1998
(tabular amounts expressed in thousands of U.S. dollars)

Comprehensive Income

Comprehensive income consists of currency translation adjustments and net income.

Income taxes

Income taxes are accounted for using an asset and liability approach, which requires the recognition of taxes payable or refundable for the current period and deferred tax liabilities and assets for future tax consequences of events that have been recognized in the Company's financial statements or tax returns. The measurement of current and deferred tax liabilities and assets is based on provisions of enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. The measurement of deferred tax assets is reduced, if necessary, by a valuation allowance, where, based on available evidence, the probability of realization of the deferred tax asset does not meet a more likely than not criteria.

Fair value of financial instruments

The fair value of the Company's financial instruments, consisting of cash and cash equivalents, short-term investments, accounts receivable, unbilled revenue, due from parent, accounts payable and accrued liabilities, and income taxes payable approximate their carrying values due to their short-term nature. As at December 31, 1999, the fair value of the \$500,000,000 12% Senior Notes was \$515,000,000 and the fair value of the \$175,000,000 12.5% Senior Notes ("1998 Notes") was \$182,000,000. The fair value of the 1998 Notes at December 31, 1998 approximated its carrying value. Fair value is based on a quoted market price.

Earnings per Share

Basic earnings per share is computed by dividing net income available to common stockholders by the weighted average number of common shares (including Class A Non-Voting Shares, Class B Subordinate Voting Shares and Class C Multiple Voting Shares) outstanding for the period. Diluted earnings per share reflects the potential dilution of securities by including other potential common stock, including stock options and redeemable convertible preferred shares, in the weighted average number of common shares outstanding for a period, if dilutive.

The following table sets forth the computation of (loss) earnings per share:

	1999 \$	1998 \$
Net income	23,640	9,020
Less:		
Stock dividend	5,000	—
Preferred stock accretion	6,465	—
Purchase price adjustment to preferred shares ..	22,070	—
Net (loss) income available to common stockholders	(9,895)	9,020

360networks Inc.
(formerly Worldwide Fiber Inc.)
Notes to Consolidated Financial Statements (Continued)
December 31, 1999 and 1998
(tabular amounts expressed in thousands of U.S. dollars)

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360networks Inc.
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Notes to Consolidated Financial Statements (Continued)
December 31, 1999 and 1998
(tabular amounts expressed in thousands of U.S. dollars)

4. Balance Sheet components

	1999 \$	1998 \$
Accounts receivable	34,736	3,107
Trade accounts receivable	615	165
Interest receivable and other	<u>35,351</u>	<u>3,272</u>
Unbilled revenue	333,116	22,236
Revenue earned on uncompleted contracts	217,455	11,654
Less: Billings to date	<u>115,661</u>	<u>10,582</u>
Inventory	188,013	28,085
Fiber optic network assets	8,946	1,145
Construction supplies and small tools	<u>196,959</u>	<u>29,230</u>
Property and equipment	5,891	—
Land	64,079	—
Fiber optic network assets	10,501	4,478
Equipment	80,471	4,478
	3,462	464
Less: Accumulated depreciation	<u>77,009</u>	<u>4,014</u>
Property and equipment—net		
Accounts payable and accrued liabilities	100,461	13,468
Subcontractor and supplier costs	25,676	4,843
Subcontractor holdbacks payable	36,474	1,493
Other accrued liabilities	28,567	492
Interest payable	<u>191,178</u>	<u>20,296</u>

5. Acquisitions

Telecommunications Division assets

Effective May 31, 1998, the Company entered into a series of agreements whereby equipment, fiber optic network assets and other assets related to the business of the Telecommunications Division of Leducor were transferred to the Company. In addition, the Company was granted a license to use Leducor's patented rail plow technology. This license agreement was for an initial term

360networks Inc.
(formerly Worldwide Fiber Inc.)
Notes to Consolidated Financial Statements (Continued)
December 31, 1999 and 1998
(tabular amounts expressed in thousands of U.S. dollars)

4. Balance Sheet components

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360networks Inc.
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Notes to Consolidated Financial Statements (Continued)
December 31, 1999 and 1998
(tabular amounts expressed in thousands of U.S. dollars)

income of WFI USA from May 31, 1998 to December 31, 1998 in the amount of \$928,000. Prior to May 31, 1998, the equity interest was reported as part of the Telecommunications Division of Leducor.

On December 31, 1998 the Company increased its interest in WFI USA to 75% by surrendering its note receivable from WFI USA of \$3,915,000 for 100 non-voting common shares and 100 Class A Voting Preferred Shares of WFI USA. The acquisition has been accounted for using the purchase method effective December 31, 1998. The purchase price of the additional 25% has been allocated to assets and liabilities based on their fair values. As a result, the net assets acquired were as follows:

	\$
Current assets	3,742
Inventory	6,048
Fiber optic network assets	1,795
Current liabilities	10,052

On December 31, 1998, the Company entered into a Shareholders' Agreement ("Agreement") with Leducor, Mi-Tech and Michels Pipeline Construction, Inc. ("Michels") (an affiliate of Mi-Tech). Pursuant to this agreement, Mi-Tech will have the option to convert all of its 25% interest in WFI USA into Shares of the Company should the Company complete a public offering of Shares with an aggregate value of at least \$20,000,000 or there is a change of control of WFI USA. In connection with the conversion, Mi-Tech will be granted certain registration rights in accordance with the Agreement. In addition, after the tenth anniversary of this agreement, Mi-Tech has the option to require WFI USA to purchase all of the Shares owned by Mi-Tech and its affiliates at fair market value. If Mi-Tech exercises this option, the Company can elect to sell all the Shares or assets of WFI USA in which case it will not be required to purchase Mi-Tech's Shares in WFI USA. In the event of a proposed sale of the Shares of WFI USA held by the Company, Mi-Tech will have certain tag-along rights.

Also as part of the Agreement the Company:

- a) Agreed not to participate in any projects or business nor provide advice or assistance to any business which undertakes projects within WFI USA's scope of business, as defined in the Agreement, for a period of four years from the date of the Agreement.
- b) Is restricted from selling, transferring, encumbering or divesting its ownership or control of WFI USA.
- c) WFI USA has an option to purchase from Mi-Tech 24 fiber optic strands along certain existing routes owned by Mi-Tech and its affiliates at fair market value.

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income of WFI USA from May 31, 1998 to December 31, 1998 in the amount of \$928,000. Prior to May 31, 1998, the equity interest was reported as part of the Telecommunications Division of Leducor.

On December 31, 1998 the Company increased its interest in WFI USA to 75% by surrendering its note receivable from WFI USA of \$3,915,000 for 100 non-voting common shares and 100 Class A Voting Preferred Shares of WFI USA. The acquisition has been accounted for using the purchase method effective December 31, 1998. The purchase price of the additional 25% has been allocated to assets and liabilities based on their fair values. As a result, the net assets acquired were as follows:

	\$
Current assets	3,742
Inventory	6,048
Fiber optic network assets	1,795
Current liabilities	10,052

On December 31, 1998, the Company entered into a Shareholders' Agreement ("Agreement") with Leducor, Mi-Tech and Michels Pipeline Construction, Inc. ("Michels") (an affiliate of Mi-Tech). Pursuant to this agreement, Mi-Tech will have the option to convert all of its 25% interest in WFI USA into Shares of the Company should the Company complete a public offering of Shares with an aggregate value of at least \$20,000,000 or there is a change of control of WFI USA. In connection with the conversion, Mi-Tech will be granted certain registration rights in accordance with the Agreement. In addition, after the tenth anniversary of this agreement, Mi-Tech has the option to require WFI USA to purchase all of the Shares owned by Mi-Tech and its affiliates at fair market value. If Mi-Tech exercises this option, the Company can elect to sell all the Shares or assets of WFI USA in which case it will not be required to purchase Mi-Tech's Shares in WFI USA. In the event of a proposed sale of the Shares of WFI USA held by the Company, Mi-Tech will have certain tag-along rights.

Also as part of the Agreement the Company:

- a) Agreed not to participate in any projects or business nor provide advice or assistance to any business which undertakes projects within WFI USA's scope of business, as defined in the Agreement, for a period of four years from the date of the Agreement.
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- c) WFI USA has an option to purchase from Mi-Tech 24 fiber optic strands along certain existing routes owned by Mi-Tech and its affiliates at fair market value.

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affiliates, sell assets of the Company or its subsidiaries, issue or sell equity interests of the Company's subsidiaries or enter into certain mergers and consolidations.

8. Redeemable Convertible Preferred Stock

On September 9, 1999 the Company authorized various classes of preferred shares.

Series A Non-Voting Convertible Preferred Shares

On September 9, 1999, the Company issued 141,868,928 Series A Non-Voting Convertible Preferred Shares ("Series A Preferred Shares") for \$345,000,000. On December 22, 1999, the Company issued an additional 9,082,384 Series A Preferred Shares to the holders of such shares pursuant to the terms of their original purchase agreement dated September 7, 1999.

The Series A Preferred Shares are entitled to dividends on an equivalent basis to the Class A Non-Voting Shares into which the Series A Preferred Shares can be converted. The Series A Preferred Shares rank senior to all classes of capital stock upon liquidation, dissolution and wind-up and are junior in right of payment of all indebtedness of the Company and its subsidiaries.

The Series A Preferred Shares have a mandatory redemption on November 2, 2009 at a liquidation value consisting of the original purchase price of \$2.43 per share plus an adjustment equal to 6% per annum of the purchase price, plus declared and unpaid dividends and the excess of the market value of the Class A Non-Voting Shares over the liquidation value.

Upon a qualified underwritten public offering of at least \$150,000,000 with a share price of at least 300% of the purchase price of the Series A Preferred Shares, each Series A Preferred Share may, at the option of the Company, be converted into Class A Non-Voting Shares at a ratio equal to one plus 6% per annum. If a qualified underwritten public offering occurs by September 9, 2000 the conversion will be on a one for one basis.

The Series A Preferred Shares may be converted by the holders into Class A Non-Voting Shares, at any time, on the same basis as the Company's conversion right and may be converted into Series B Non-Voting Convertible Preferred Shares on a one for one basis. In addition, the holders of the Series A Preferred Shares have anti-dilution protection.

Series B Subordinate Voting Convertible Preferred Shares

The Series B Subordinate Voting Convertible Preferred Shares ("Series B Preferred Shares") are entitled to dividends on an equivalent basis to any dividends declared or paid on Class B Subordinate Voting Shares into which the Series B Preferred Shares can be converted. The Series B Preferred Shares rank senior to all classes of capital stock upon liquidation, dissolution and wind-up and are junior in right of payment of all indebtedness of the Company and its subsidiaries. The Series B Preferred Shares are entitled to one vote per share.

The Series B Preferred Shares are mandatorily redeemable on November 2, 2009 at a liquidation value of \$2.43 per share plus an adjustment equal to 6% per annum of the purchase

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affiliates, sell assets of the Company or its subsidiaries, issue or sell equity interests of the Company's subsidiaries or enter into certain mergers and consolidations.

8. Redeemable Convertible Preferred Stock

On September 9, 1999 the Company authorized various classes of preferred shares.

Series A Non-Voting Convertible Preferred Shares

On September 9, 1999, the Company issued 141,868,928 Series A Non-Voting Convertible Preferred Shares ("Series A Preferred Shares") for \$345,000,000. On December 22, 1999, the Company issued an additional 9,082,384 Series A Preferred Shares to the holders of such shares pursuant to the terms of their original purchase agreement dated September 7, 1999.

The Series A Preferred Shares are entitled to dividends on an equivalent basis to the Class A Non-Voting Shares into which the Series A Preferred Shares can be converted. The Series A Preferred Shares rank senior to all classes of capital stock upon liquidation, dissolution and wind-up and are junior in right of payment of all indebtedness of the Company and its subsidiaries.

The Series A Preferred Shares have a mandatory redemption on November 2, 2009 at a liquidation value consisting of the original purchase price of \$2.43 per share plus an adjustment equal to 6% per annum of the purchase price, plus declared and unpaid dividends and the excess of the market value of the Class A Non-Voting Shares over the liquidation value.

Upon a qualified underwritten public offering of at least \$150,000,000 with a share price of at least 300% of the purchase price of the Series A Preferred Shares, each Series A Preferred Share may, at the option of the Company, be converted into Class A Non-Voting Shares at a ratio equal to one-plus 6% per annum. If a qualified underwritten public offering occurs by September 9, 2000 the conversion will be on a one for one basis.

The Series A Preferred Shares may be converted by the holders into Class A Non-Voting Shares, at any time, on the same basis as the Company's conversion right and may be converted into Series B Non-Voting Convertible Preferred Shares on a one for one basis. In addition, the holders of the Series A Preferred Shares have anti-dilution protection.

Series B Subordinate Voting Convertible Preferred Shares

The Series B Subordinate Voting Convertible Preferred Shares ("Series B Preferred Shares") are entitled to dividends on an equivalent basis to any dividends declared or paid on Class B Subordinate Voting Shares into which the Series B Preferred Shares can be converted. The Series B Preferred Shares rank senior to all classes of capital stock upon liquidation, dissolution and wind-up and are junior in right of payment of all indebtedness of the Company and its subsidiaries. The Series B Preferred Shares are entitled to one vote per share.

The Series B Preferred Shares are mandatorily redeemable on November 2, 2009 at a liquidation value of \$2.43 per share plus an adjustment equal to 6% per annum of the purchase

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Share capital transactions

On September 9, 1999, the Company amended its share capital by re-designating 400,000,000 Class A Voting Shares to Class B Subordinate Voting Shares, cancelling its remaining classes of Shares and creating Class A Non-Voting Shares, Class C Multiple Voting Shares, Series A and B Convertible Preferred Shares and Series C Redeemable Preferred Shares. Subsequently, the Company declared a stock dividend of 80,000,000 Series C Redeemable Preferred Shares for \$5,000,000. Concurrently, the Company repurchased the 400,000,000 outstanding Class B Subordinate Voting Shares from its parent in exchange for the issuance of 381,496,000 Class B Subordinate Voting Shares and 640,000,000 Series C Redeemable Preferred Shares. The Company then redeemed the 720,000,000 outstanding Series C Redeemable Preferred Shares for \$45,000,000 cash resulting in a charge to retained earnings of \$40,000,000.

On August 31, 1999 the Company issued 2,400,000 Class B Subordinate Voting Shares for \$3,000,000.

On November 24, 1999, a shareholder converted 301,266,400 Class B Subordinate Voting Shares into 301,266,400 Class A Non-Voting Shares. On December 22, 1999, the Company issued 52,160,000 Class A Non-Voting Shares and 9,840,000 Class C Multiple Voting Shares under an employment agreement to an executive officer for \$77,500,000. The Company also received a promissory note of \$77,500,000 from the executive officer.

On November 24, 1999, the Board of Directors approved an eight-for-one share split of all classes of the Company's stock. All share amounts in 1998 and 1999 have been presented on a post stock split basis.

10. Stock Based Compensation

Stock Option Plan

The Company has a Long Term Incentive and Share Award Plan that permits the grant of non-qualified stock options, incentive stock options, share appreciation rights, restricted shares, restricted share units, performance shares, performance units, dividend equivalents and other share-based awards to employees and directors. A maximum of 7,133,008 Class A Non-Voting shares may be subject to awards under the plan, which generally have a vesting period of four years. The stock options have terms expiring on or before November 15, 2009.

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(tabular amounts expressed in thousands of U.S. dollars)

Share capital transactions

On September 9, 1999, the Company amended its share capital by re-designating 400,000,000 Class A Voting Shares to Class B Subordinate Voting Shares, cancelling its remaining classes of Shares and creating Class A Non-Voting Shares, Class C Multiple Voting Shares, Series A and B Convertible Preferred Shares and Series C Redeemable Preferred Shares. Subsequently, the Company declared a stock dividend of 80,000,000 Series C Redeemable Preferred Shares for \$5,000,000. Concurrently, the Company repurchased the 400,000,000 outstanding Class B Subordinate Voting Shares from its parent in exchange for the issuance of 381,496,000 Class B Subordinate Voting Shares and 640,000,000 Series C Redeemable Preferred Shares. The Company then redeemed the 720,000,000 outstanding Series C Redeemable Preferred Shares for \$45,000,000 cash resulting in a charge to retained earnings of \$40,000,000.

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The pro forma compensation expense is estimated using the Black Scholes option-pricing model assuming no dividend yield and the following weighted average assumptions for options granted during the year ended December 31, 1999:

Expected volatility (private company)	0.0%
Risk free interest rate	5.2%
Expected life (in years)	4.0

Restricted stock and other stock issuances

During the year, the Company issued stock to certain directors and officers of the Company. To the extent that these stock issuances are considered to be below fair value, stock based compensation is recognized and amortized over the appropriate periods. The Company recognized \$176,164,000 of deferred stock-based compensation related to stock issued to these officers and directors in 1999 of which \$2,832,000 was expensed in the year.

The shares issued to the executive officer are subject to a repurchase by the Company at the lesser of fair market value of the shares and the original purchase price of the shares plus interest. The restriction lapsed with respect to 15,500,000 shares immediately on commencement of employment and lapses for 12,400,000 shares in 2000, 13,639,968 shares in 2001 and 2002 and the remainder in 2003. Under certain conditions, the executive officer may put back a certain number of shares to the Company, or at the option of the Company to Worldwide Fiber Holdings Ltd., at fair market value to repay the promissory note. Deferred compensation related to these shares will be amortized over the periods covered by the repurchase restriction.

11. Income taxes

Income before equity income, income taxes and minority interest.

The components of income before equity income, income taxes and minority interest are as follows:

	1999 \$	1998 \$
Canadian	46,881	5,683
U.S.	14,507	8,052
	<u>61,388</u>	<u>13,735</u>

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360networks Inc.
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Deferred Income taxes

Significant components of the Company's deferred tax asset and liability are as follows:

	1999 \$	1998 \$
Deferred tax asset		
Expenses not deductible in current period	8,838	—
Tax loss carryforwards	4,259	—
Property and equipment	7,596	1,088
Other	185	185
	<u>20,878</u>	<u>1,273</u>
Valuation allowance	—	—
Net deferred tax asset	<u>20,878</u>	<u>1,273</u>
Deferred tax liability		
Property and equipment	1,760	—
Financing costs	1,313	—
	<u>3,073</u>	<u>—</u>

Management believes that, based on a number of factors, it is more likely than not that the deferred tax asset will be fully utilized, such that no valuation allowance has been recorded.

12. Concentration of credit risk

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash and cash equivalents, short-term investments, accounts receivable, unbilled revenue and due from parent which are not collateralized. The Company limits its exposure to credit loss by placing its cash and cash equivalents and short-term investments with high credit quality financial institutions. Concentrations of credit risk with respect to accounts receivable and unbilled revenue are considered to be limited due to the credit quality of the customers comprising the Company's customer base.

The Company performs ongoing credit evaluations of its customers' financial condition to determine the need for an allowance for doubtful accounts. The Company has not experienced significant credit losses to date. Accounts receivable was comprised of 22 customers at December 31, 1999 and 12 customers at December 31, 1998.

The concentration of credit risk relating to the amount due from the parent is considered limited due to the credit quality of the Company's parent. The Company's three largest customers represented 22%, 15% and 10% of the Company's total revenue for 1999. As described in Note 1, substantially all of the Company's revenues during the period ended December 31, 1998 were earned from construction services provided to Leducor.

360networks Inc.
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Notes to Consolidated Financial Statements (Continued)
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Operating leases

The Company leases certain facilities and equipment used in its operations under operating leases. Future minimum lease payments under these lease agreements at December 31, 1999 are as follows:

2000	\$7,489
2001	\$6,244
2002	\$3,349
2003	\$1,153
2004	\$ 671

The Company pays Leducor approximately \$825,000 per year in connection with its lease of the Toronto facilities. The lease expires in 2009.

Supply Agreements

On June 18, 1999, a subsidiary of the Company entered into a supply agreement, with Tyco Submarine Systems Ltd. ("Tyco") whereby Tyco will serve as the primary contractor for the Company's trans-Atlantic cable project called "360atlantic". The initial contract price is approximately \$607 million. The Company paid \$214 million in the year ended December 31, 1999 on this contract. (1998—\$NIL)

The Company has placed purchase orders of \$27 million with suppliers of bandwidth equipment.

CN/IC Agreements

On May 28, 1999, the Company entered into agreements with Canadian National Railway Company ("CN") and Illinois Central Railroad Company ("IC") to license rights-of-way along certain of their respective rail transportation systems (the "Routes"). In connection with these license agreements, the Company formed subsidiary companies with CN (WFI-CN Fibre Inc.) and IC (Worldwide Fiber LLC) (the Company having a 75% interest and CN or IC having the remaining 25% interest) for the purpose of licensing the rights-of-way from CN and IC and developing the projects along the Routes.

15. Subsequent events

Share Capital Reorganization

Concurrent with the closing of a public offering, the Company will reorganize the share capital as follows: the holders of existing Class B Subordinate Voting Shares will convert or exchange their shares into Class A Non-Voting Shares and all authorized but unissued Class B Subordinate Voting Shares will be cancelled; the Series A Non-Voting Preferred Shares will be converted or exchanged into our Class A Non-Voting Shares and all of the authorized but unissued Series A Preferred Shares, Series B Preferred Shares and Series C Preferred Shares will be cancelled; the existing

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360networks Inc.
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360atlantic credit facility

The Company has entered into a credit agreement with certain lenders pursuant to which the lenders have provided a credit facility totalling U.S. \$565,000,000.

Share split

On March 20, 2000, the Board of Directors approved a two-for-one share split of all classes of the Company's stock. All share amounts in 1998 and 1999 have been presented on a post-stock split basis.

Share Issuances

Subsequent to December 31, 1999, the Company issued 411,214 Class A Non-Voting Shares to a consultant of the Company. In addition, the Company will issue additional Series A Preferred Shares in connection with the purchase price adjustment provisions of a subscription agreement.

Name change

On March 14, 2000, the Company changed its name from Worldwide Fiber Inc. to 360networks Inc.

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(formerly Worldwide Fiber Inc.)
Notes to Consolidated Financial Statements (Continued)
December 31, 1999 and 1998
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Name change

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EXHIBIT "D"
BIOGRAPHY INFORMATION

Ron Stevenson has served as our Vice Chairman since March 200, a Director since our inception, was previously our President and is a Director of Leducor Inc. Before joining us, Mr. Stevenson spent 28 years with Leducor. From 1989 to 1998, Mr. Stevenson was Executive Vice President of Operations for Leducor Industries' telecommunications and civil divisions and was responsible for construction and project development.

David Love has served as our Senior Vice President, Network Operations since September 1999. Mr. Love's involvement in the telecommunications industry, both domestic and international, spans over 28 years. Prior to joining us, Mr. Love managed large network deployments and multi-state network operations at US West. He has international experience with MediaOne International directing the design and network operations for broadband services using hybrid fiber coax technology in Belgium.

Bruce Tinney has been our Senior Vice President, Infrastructure Sales since our inception. Before joining us, Mr. Tinney spent more than 22 years in the telecommunications industry in a variety of executive positions, including Director of Business Development for Qwest Communications from 1996 to 1998 and Vice President of Operations for Fanch Communications from 1991 to 1996. Before joining Fanch Communications, Mr. Tinney spent over 15 years with Time Warner Communications in a number of leadership positions.

Jerry Tharp has overseen our U.S. operations as President of 360-USA since our inception. Mr. Tharp's involvement in the telecommunications industry spans over 40 years. Before joining us, Mr. Tharp was the Director of Business Development for Mi-Tech from 1996 to 1997 and the Vice President, Construction and Engineering for Qwest Communications International Inc. from 1994 to 1996. From 1987 to 1994, Mr. Tharp held several positions with MCI WorldCom Inc. dealing with ROW, construction and engineering issues. His telecommunications career started with US West and its predecessor corporation, where he held numerous positions.

EXHIBIT "E"
CORPORATE ORGANIZATION CHART

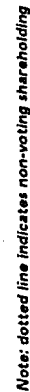


EXHIBIT “F”
INTRALATA PRESUBSCRIPTION IMPLEMENTATION PLAN

360NETWORKS (USA) INC. (360networks)
IntraLATA Presubscription Implementation Plan

I. Purpose

The intent of this Plan is to provide a proposal that, upon implementation, would provide customers the ability to select the telecommunications carrier of their choice for routing their intraLATA toll calls.

II. Carrier Selection Procedures

360networks will implement the full 2-PIC (Primary Interexchange Carrier) carrier selection methodology. With the full 2-PIC methodology, customers will be able to presubscribe to one telecommunications carrier for interLATA toll calls and presubscribe to the same or a different participating telecommunications carrier, including their existing local exchange company, for all intraLATA toll calls. Orders for changes will be accepted and processed beginning on the implementation date.

360networks employees who communicate with the public, accept customer orders, and serve in customer service capacities will be trained to explain the process to customers for making PIC changes for intraLATA toll calls. Business Office personnel will be prepared to make changes in customer records based upon requests from customers or carriers and direct customers to their chosen intraLATA carriers. Processes will be in place to provide new customers with an opportunity to choose their intraLATA toll carrier from a list of available carriers.

New Customers

Customers who contact 360networks requesting new telephone exchange service will be provided a list of telecommunications carriers available to provide interLATA toll service. Upon implementation of intraLATA toll presubscription, the customer will be provided a second list of carriers, including 360networks, that provide intraLATA toll service in their exchange. The list of intraLATA toll carriers will be presented in a competitively neutral manner. Customers who do not make a positive choice for an intraLATA toll carrier will be identified within 360networks's system as a "no-PIC" and will not be automatically defaulted to a carrier. Customers identified as "no-PIC" within 360networks's systems will be required to dial 101XXXXX to place intraLATA toll calls until they make an affirmative choice for an intraLATA toll carrier.

III. Customer Education/Notification

Customers will receive information explaining their opportunity to select an intraLATA carrier a minimum of 30 days in advance of the offering of intraLATA toll dialing parity via a bill message. In addition, during the 30 days following implementation of intraLATA Dialing Parity, customers will receive a bill insert also explaining their opportunity to select an intraLATA carrier. 360networks anticipates that promotional strategies by carriers will contribute to customer awareness of intraLATA toll dialing parity. Customer telephone directories will be updated as new editions are published to reflect the opportunity for customers to choose an intraLATA toll carrier.

IV. Carrier Notification

Current interexchange carriers will be notified of 360networks's intraLATA toll dialing parity implementation via letter approximately 90 days in advance of the proposed implementation date. Carriers should provide a list of exchanges in which they plan to offer intraLATA toll service at least 60 days in advance of 360networks's implementation date. 360networks needs notification in advance to include the carrier on the list of participating carriers in each 360networks exchange. Certified carriers who enter the market after implementation will be added to the list of participating carriers within 30 days of notifying 360networks.

360networks will provide subscriber listing information to carriers in "readily accessible" tape or electronic formats in a timely manner as requested through the processes that currently exist for the interLATA market. The process includes subscriber listing updates to carriers for new customers who choose that carrier or of existing customers of a carrier who revise their subscriber listing information. In addition, carriers can obtain complete subscriber listings in several formats. The provision of this information is in compliance with FCC Order No. 96-333, Paragraph 389.

360networks will comply with Part 51, Sections, 305, 307, 325, 327, 329, 331, 333 and 335 of the FCC Order in providing the required information and notice to the public of network changes. 360networks plans to file a public notice with the FCC, with possible migration of the notice to the Internet process as described in Section 329. The notice will include network information as outlined in Section 327. The notice will be provided within the timeframes described in Sections 331-333.

EXHIBIT "G"
SMALL & MINORITY OWNED TELECOMMUNICATIONS BUSINESS
PARTICIPATION PLAN

360NETWORKS (USA) INC.
SMALL AND MINORITY OWNED
TELECOMMUNICATIONS BUSINESS PARTICIPATION
PLAN

Submitted to:

**Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505**

Submitted by:

360networks (USA) inc.

**Pursuant to Section 16, Chapter 408
Public Acts of 1995 dated June 6, 1995.**

**SMALL AND MINORITY OWNED TELECOMMUNICATIONS
BUSINESS PARTICIPATION PLAN OF
360NETWORKS (USA) INC.**

Policy Statement

360networks (USA) inc. acknowledges the importance of supporting small and minority owned telecommunications business participation in the telecommunications industry and the overall general business participation in the telecommunications Tennessee business operations, it is the policy of 360networks (USA) inc. to provide practicable opportunity for Small Telecommunications and Minority Owned Telecommunications Business to compete for contracts and subcontracts for goods and of like-kind goods and services to 360networks (USA) inc.. 360networks (USA) inc. is committed to the identification and selection of qualified Small Telecommunications Business and Minority Owned Telecommunications Business in this respect.

Further, with respect to its Tennessee business operations, it is the policy of 360networks (USA) inc. to provide information on programs, if any, to provide technical assistance to Small Telecommunications Business and Minority Owned Telecommunications Businesses when and where available in Tennessee.

Further, 360networks (USA) inc. acknowledges its obligation to contribute its share to the fund established by the Department of Economic and Community Development in accordance with Section 17 of Chapter 408 of the Public acts of 1995 (the "Act") for the purpose of funding the small and minority owned telecommunications business assistance program which provides for loan guarantees, technical assistance and services, and consulting education services.

Definitions

"Act" - Section 16 and 17 of Chapter 408 of the Public Acts of 1995.

"Minority Owned Telecommunications Business" - a telecommunications business which is solely owned, or at least fifty-one percent (51%) of the assets or outstanding stock of which is owned, by an individual who personally manages the daily operations of such business, and who is impeded from normal entry into the economic mainstream because of race, religion, sex or national origin and such business has annual gross receipts of less than four million dollars (\$4,000,000), or as otherwise modified or amended in the future by the legislature for the State of Tennessee.

- a) "Personally Manages" in this context shall mean actively involved in the day-to-day management.
- b) "Controls" in this context shall mean exercising the power to make policy decisions.
- c) "Who is impeded from normal entry" in this context shall mean individuals who have been subjected to racial or ethnic prejudice or cultural bias because of their identity as a member of a group without regard to their qualities as individuals and as provided in the regulations implementing Sections 8(a) and 7(j) of the Small Business Act, as amended by the Business Opportunity Development Reform Act of 1988, and Business Opportunity Development Reform Act Technical Corrections Act, (15 U.S.C. 637(a) and 636(j), as amended by Pub. L. 100-656 and Pub. L. 101-37.

"Small Telecommunications Business" - A telecommunications company with annual gross receipts of less than four million dollars (\$4,000,000), or as otherwise modified or amended in the future by the legislature for the State of Tennessee.

"Subcontract" - Any agreement (other than one involving an employer-employee relationship) entered into by 360networks (USA) inc. with a non-affiliated company or individual calling for direct or indirect purchase of raw materials, components, supplies and services needed to support 360networks (USA) inc.'s operations.

Goals

The goals of 360networks (USA) inc.'s Small and Minority Owned Telecommunications Business Participation Plan is to identify Small Telecommunications Business and Minority Owned Telecommunications Businesses which are qualified to provide goods and services and to promote awareness among Small Telecommunications Businesses and Minority Owned Telecommunications Businesses as to opportunities to develop business relationships with 360networks (USA) inc..

Plan Implementation

360networks (USA) inc. will invite bids, or issue reports for proposals, or otherwise solicit offers from Small Telecommunications Business and Minority Owned Telecommunications Business, except in the case of emergencies, or in cases where 360networks (USA) inc. is bound by contract to purchase goods and services from other sources, to furnish specified goods or services to 360networks (USA) inc. in furtherance of its Tennessee operations.

Plan Administration

In conducting its business affairs in Tennessee, 360networks (USA) inc. will appoint one of its employees as the Administrator of the Small and Minority Owned Telecommunications Business Participation Plan. The Administrator will be responsible for obtaining and utilizing available resources for identifying Small Telecommunications Business and Minority Owned Telecommunications Businesses interested and qualified in furnishing goods and services to 360networks (USA) inc. and to cultivate an awareness among such businesses as to any opportunities to develop business relations with 360networks (USA) inc.. The Administrator will also serve as a resource for technical assistance to Small Telecommunications Businesses and Minority Owned Telecommunications Business and will refer such businesses to sources of information and other technical assistance.

Plan Administrator

The administration of this Plan will be under the direction of (hereinafter called the "Administrator"):

Name:	David Love
Title:	Senior Vice President
Address:	143 Union Boulevard, Suite 300 Lakewood, Colorado 80228
Telephone:	(303) 854-5000
Facsimile:	(303) 854-5100

The duties of the Administrator are, among other things:

1. To develop policies and procedures to assure success of the Plan.
2. To maintain a current Plan acceptable to the Tennessee Regulatory Authority.
3. To conduct certification surveys as to the status of suppliers.
4. To establish and maintain a database and records in support of the Plan pursuant to the requirements of the Tennessee Regulatory Authority.

5. To search diligently for qualified small and minority owned telecommunications businesses and concerns through:
 - a. The Small Business Administrations' Procurement Automated Source System (PASS), and publications of the Office of Minority Business Data Center in the Department of Commerce and the Office of Minority Small Business and Capital Ownership Development in the Small Business Administration.
 - b. Local and national associations and Minority Supplier Development councils.
 - c. Participation in trade fairs and industry meetings.
 - d. Advertisement in the industry and local publications.
6. To prepare and submit such forms and information as may be required by the Tennessee Regulatory Authority.
7. Maintain liaison and cooperation with the Tennessee Regulatory Authority, and other agencies of the state of Tennessee to find and utilize qualified business concerns defined herein.
8. To support activities for assisting buyers in locating and qualifying the business concerns defined herein.
9. To provide required records and reports to cooperate in any authorized surveys by the Tennessee Regulatory Authority.

Compliance Records

360networks (USA) inc. will submit reports, as may be required, for use in connection with subcontracting plans by the Tennessee Regulatory Authority and/or the State of Tennessee. 360networks (USA) inc. will cooperate fully with all reasonable and appropriate surveys or studies required by the contracting agency in determining program compliance. However, 360networks (USA) inc. reserves the right to designate documents, reports, surveys and/or studies as "confidential" or "proprietary".

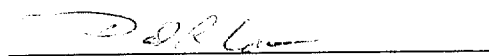
Record Maintenance

360networks (USA) inc. will maintain records relating to 360networks (USA) inc.'s Small and Minority Owned Telecommunications Business Participation Plan for the purpose of evidencing the implementation of this policy, for use by 360networks (USA) inc. in evaluating the effectiveness of the Plan and in obtaining the goals of the Plan, and for use in updating the Plan on an annual basis with the Tennessee Regulatory Authority, or as otherwise required.

ADOPTED this 12th day of September, 2000.

360NETWORKS (USA) INC.

By:



David Love

Senior Vice President

EXHIBIT "H"
PRE-FILED TESTIMONY

PRE-FILED TESTIMONY
OF
DAVID LOVE

I. Introduction

1 1. Q. Please state your name and business address.

2 A. My name is David Love. My business address is 143 Union Boulevard, Suite 300,
3 Lakewood, Colorado 80228.

4 2. Q. By whom are you employed and in what capacity?

5 A. I am Senior Vice President for 360networks (USA) inc. ("360networks").

6 3. Q. Please give a brief description of your background and experience in business and
7 telecommunications.

8 A. My background and experience, as well as other members of the management team of
9 360networks, are set forth in Exhibit D to our application.

10

1 7. Q. Please describe the services 360networks intends to provide within the State of
2 Tennessee.

3 A. 360networks expects to offer a full array of local exchange, including the
4 following:

5
6 Interexchange (switched and dedicated services):

- 7 A. 1+ and 101XXXX outbound dialing;
- 8 B. 800/888 toll-free inbound dialing;
- 9 C. Calling cards; and
- 10 D. Data Services.

11
12 Local Exchange:

- 13 A. Local Exchange Services for business and residence telecommuter customers
- 14 that will enable customers to originate and terminate local calls in the local calling area
- 15 served by other LECs.
- 16 B. Switched local exchange services, including basic service, trunks, carrier
- 17 access, and any other switched local services that currently exist or will exist in the
- 18 future.
- 19 C. Non-switched local services (e.g., private line) that currently exist or will exist
- 20 in the future.
- 21 D. Centrex and/or Centrex-like services that currently exist or will exist in the
- 22 future.
- 23 E. Digital subscriber line, ISDN, and other high capacity services.

24 In addition to the services listed above, 360networks, through interconnection with
25 other carriers, will offer dual-party relay services, 9-1-1 Emergency Services, directory
26 assistance and operator assisted calls, lifeline, and toll-free calling.

1 8. Q. How does 360networks intend to provide service in the State of Tennessee?

2
3 A. 360networks, inc. is a leading independent, facilities-based provider of fiber optic
4 communications network products and services. By the end of 2001 we expect our
5 network to consist of approximately 56,300 route miles in North America, Europe and
6 South America, including an undersea cable between North America and Europe and an
7 undersea cable between South America and North America. We recently agreed, subject
8 to execution of definitive agreements, to acquire collocation facilities or site rights in ten
9 cities in North America comprising approximately 2.9 million square feet. We intend to
10 expand our network to provide connectivity on a global basis. Our network's design uses
11 state-of-the-art optical technologies that we believe greatly reduces complexity and cost
12 while allowing us to offer increased reliability and a wide range of products and services.
13 In addition, we offer network services to meet our customers' demands and enable
14 Internet services and intend to develop products and services that capitalize on the
15 convergence of telecommunications and high-bandwidth applications and services. Our
16 network is scheduled to be completed by the end of 2001.

17 Our network consists of fiber optic assets and capacity that we have installed or acquired
18 from other developers and carriers through swaps, purchases, leases, IRUs or other
19 contractual rights along diverse POW. In North America, our network is expected to
20 cover approximately 24,100 route miles, of which more than 12,200 route miles have been
21 developed to date, encompassing both long-haul and intra-city route miles and providing
22 connectivity among approximately 50 major population centers. In Europe, our network is
23 expected to cover approximately 10,600 long-haul route miles (assuming, with respect to

1 1,300 route miles, the exercise of an option that we have), of which more than 4,900 route
2 miles have been developed to date, providing connectivity among approximately 35 major
3 population centers. Our 7,600 route mile fully protected undersea cable between North
4 America and Europe will have the capacity to be a 1.92 terabits per second ("tbps"), self-
5 healing ring that will connect landing sites in Boston, Halifax, Dublin and Liverpool and to
6 major gateway cities in Europe and North America, including London and New York. Our
7 planned 14,000 route mile fully protected undersea cable between South America and
8 North America will have the capacity to be a 1.28 terabits per second, self-healing ring
9 that will be able to offer city-to-city connectivity between 6 major population centers in
10 Brazil, Venezuela, Bermuda and the United States. We intend to expand our planned
11 network to more population centers through the addition of intercity and city ring capacity
12 in North America, Europe and South America. We are also reviewing opportunities to
13 expand the geographic reach of our network, including transpacific connectivity to Asia.
14 In addition, we intend to extend our network to Buenos Aires through undersea and/or
15 terrestrial routes.

16 When the company installs facilities, it will deploy the following or a similar
17 configuration: Applicant's network will consist of multiple HDPE SDR 11 conduit banks,
18 complete with regeneration/amplification facilities approximately every forty (40) miles.
19 Applicant will have points of presence (POP) sites in the larger metropolitan areas. Applicant's
20 network will utilize state-of-the-art fiber optic strands, which allow for the high speed, high
21 quality transmission of data, video and voice communications. Applicant plans to install an
22 average of 144 fiber optic strands on major builds throughout the network, and Applicant
23 may install as many as 264 fibers or more in high demand areas. The advanced technical

1 operating characteristics of the network will enable Applicant to provide technologically
2 advanced dark fiber to customers at low cost by permitting higher capacity transmission
3 over longer distances between regeneration and amplifier facilities. The network is
4 currently compatible with the highest commercially available transmission capacity (OC-
5 192) and can accommodate advanced capacity-intensive data applications such as Frame
6 Relay, ATM, multimedia and Internet related applications.

1
2
3 9. Q. Does 360networks have authorization to provide intrastate telecommunications
4 services in any other state?

5
6 A. Yes. 360networks (USA) inc. is authorized to provide local exchange service
7 in Iowa, Kentucky, Montana, New York, Oregon, Rhode Island, Utah, Wisconsin, Wyoming
8 and Washington D.C; and is authorized to provide interexchange service in Alabama, Arizona,
9 California, Colorado, Connecticut, Delaware, Florida, Georgia, Indiana, Illinois, Kentucky,
10 Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana,
11 Nebraska, Nevada, New Mexico, New York, North Carolina, Ohio, Oklahoma, Oregon,
12 Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont,
13 Virginia, Washington, Wisconsin, and Wyoming. 360networks is in the process of applying
14 for authorization to provide resold and facilities-based interexchange and local exchange
15 service throughout the United States.

16
17 10. Q. Has 360networks ever had an application for a certificate of public convenience and
18 necessity denied?

19 A. No.
20

11. Q. Does 360networks intend to file a tariff with the Commission?

A. Yes. 360networks will file its tariff subsequent to certification and prior to commencing operations as required by Commission rules.

12. Q. Is Applicant is willing and able to adhere to all applicable TRA policies, rules and orders?

A. Yes. Applicant is willing and able to adhere to all applicable TRA policies, rules and orders. In addition, 360networks at all times will provide interstate services in compliance with all FCC rules and regulations. 360networks will at all times provide and market services in accordance with current Commission policies and will attempt to comply with the terms of that order in every respect possible.

13. Q. Has 360networks provided any intrastate telecommunications services within the State of Tennessee?
- A. No it has not.
14. Q. What rates will 360networks charge upon receipt of certification?
- A. 360networks will charge the tariffed rates approved by the Commission.
15. Q. How will 360networks market services in Tennessee?
- A. 360networks intends to market its services via direct sales by 360networks's employees.

III. Managerial, Technical and Financial Qualifications

16. Q. Does 360networks have sufficient managerial, technical, and financial resources and ability to provide the telecommunications services proposed in its Application?
- A. Yes. 360networks has sufficient technical, financial, and managerial resources and ability to provide the telecommunications services for which authority is sought herein. 360networks's personnel represent a broad spectrum of business and technical disciplines, possessing many years of individual and aggregate telecommunications experience.
- My qualifications and experience, as well as members of 360networks's current management team, are discussed on Exhibit D which is attached to our Application in support of Applicant's managerial and technical ability to provide the services for which authority is sought herein.

17. Q. How does 360networks handle customer service requests?

A. 360networks has established a toll free Customer Care number, 1-877-735-7366, to handle service complaints and/or billing questions once service commences. Mr. Terry Bate, Director of Client Services will oversee 360networks' Customer Care department and his staff will promptly respond to any customer complaints or concerns that may arise. Mr. Bate may be contacted through the Applicant's corporate offices at 143 Union Blvd., Suite 300, Lakewood, Colorado 80228, telephone (303) 854-5000. 360networks will also maintain a 24-hour Network Operation Center (NOC) to address operational issues. The NOC will be equipped with state-of-the-art monitoring equipment to allow for immediate response to any and all operational problems, which may arise. Mr. Gary Anderson, Vice President of Operations, 143 Union Blvd., Suite 300, Lakewood, Colorado 80228, telephone (303) 854-5000, will oversee all of the Applicant's operational departments. If the Customer is not satisfied with the Company's resolution of an inquiry or dispute, the Customer may refer the matter to the Commission for determination.

18. Q. Please describe the financial condition of 360networks.

A. In support of 360networks's financial ability to provide the services sought herein, a copy of 360networks, inc.'s Audited Financial Statements for the years ended December 31, 1998 and December 31, 1999, was submitted as Exhibit C to its Application.

IV. Public Interest

19. Q. How will residents of Tennessee benefit from 360networks's services and presence in Tennessee?

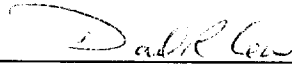
The Commission's grant of this certificate is in the public interest because consumers of telecommunications services within 360networks's service territory will receive increased choice, improved quality of service, and heightened opportunities to obtain improved technology in the homes and businesses. Market incentives for new and old telecommunications providers in Tennessee will be improved greatly through an increase in the diversity of suppliers and competition within the local exchange telecommunications market. Consistent with the Commission's intent to aid in the development of a competitive telecommunications environment in Tennessee, the granting of a certificate of authority to provide local exchange service will offer increased efficiency to the State's telecommunications infrastructure through greater reliability of services and an increase in competitive choices.

20. Q. Does this conclude your testimony?

A. Yes. I would like to thank the Commission for this opportunity to provide information relevant to 360networks's Application and am ready to provide any additional information that the Commission may need in making its decision.

VERIFICATION OF APPLICANT


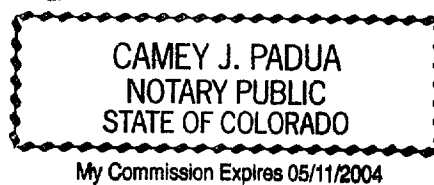
I, David Love, Senior Vice President of 360networks (USA) inc., a Nevada Corporation, the applicant for a Certificate of Public Convenience and Necessity from the Public Service Commission of the State of Tennessee, verify that based on information and belief, I have knowledge of the statements in the foregoing Application, and I declare that they are true and correct.



David Love
Senior Vice President
360networks (USA) inc.

Sworn to me, the undersigned
Notary Public on this
12th day of sept., 2000.

State of Colorado
County of Jefferson



Notary Public

EXHIBIT "I"
NUMBERING ISSUES & TENNESSEE SPECIFIC OPERATION ISSUES

Numbering Issues

1. Applicant's expected demand for NXXs within a year of approval of our application is 60 to 80 NXXs per NPA.
2. Applicant estimates it will request 60 NXXs from NANPA when we establish our service footprint.
3. We expect to establish our initial service footprint in the 615 and 931 NPAs within 6 months of certification.
4. The company will sequentially assign numbers within NXXs if it is required by Commission rules and regulations. In other jurisdictions customer requirements have dictated the non-sequential assignment of telephone numbers.
5. The company will follow NANPA guidelines and Commission regulations and assign numbers accordingly.
6. When ordering NXXs for growth, we follow the forecasting guidelines set by NANPA and the state regulatory body. In the California jurisdiction we currently apply a 6 or 12 month forecast, depending on the jeopardy situation in a given NXX.

Tennessee Specific Operation Issues

1. Our current billing system will allow us to bill the calling plan in compliance with TCA Section 65-21-114.
2. At this time, the company is not aware of the Tennessee County Wide Calling database maintained by BellSouth and the procedures to enter your telephone numbers on the database. The company intends to address all interconnection requirements and procedures with Bell South during the negotiation process and prior to the provision of local exchange service.
3. The company initially intends to provide service in Nashville. It is the Company's usual practice to mirror the calling pattern on the incumbent LEC, therefore this is how the company will provide metro area toll-free calling around Memphis, Nashville, Knoxville & Chattanooga.

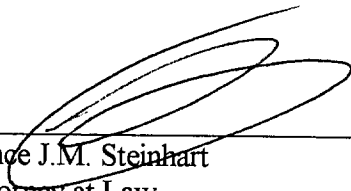
CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the attached APPLICATION OF 360NETWORKS (USA) INC. FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY was served upon the following parties of record by depositing a copy of same in the United States Mail, First Class, Postage Prepaid, to their last known address as follows:

<u>Ardmore Telephone Company, Inc.</u> P.O. Box 549 517 Ardmore Avenue Ardmore, TN 38449 (205) 423-2131 (205) 423-2208 (Fax)	<u>BellSouth</u> 333 Commerce Street Nashville, TN 37201-3300 (615) 214-3800 (615) 214-8820 (Fax)	<u>Century Telephone of Adamsville</u> P.O. Box 405 116 N. Oak Street Adamsville, TN 38310 (901) 632-3311 (901) 632-0232 (Fax)
<u>Century Telephone of Claiborne</u> P.O. Box 100 507 Main Street New Tazewell, TN 37825 (423) 626-4242 (423) 626-5224 (Fax)	<u>Century Telephone of Ooltewah-Collegedale, Inc.</u> P.O. Box 782 5616 Main Street Ooltewah, TN 37363 (423) 238-4102 (423) 238-5699 (Fax)	<u>Citizens Communications Company of Tennessee</u> P.O. Box 770 300 Bland Street Bluefield, WV 24701
<u>Citizens Communications Company Of The Volunteer State</u> P.O. Box 770 300 Bland Street Bluefield, WV 24701	<u>Loretto Telephone Company, Inc.</u> P.O. Box 130 Loretto, TN 38469 (931) 853-4351 (931) 853-4329 (Fax)	<u>Millington Telephone Company, Inc.</u> 4880 Navy Road Millington, TN 38053 (901) 872-3311 (901) 873-0022 (Fax)

<p><u>Sprint-United</u></p> <p>112 Sixth Street Bristol, TN 37620 (423) 968-8161 (423) 968-3148 (Fax)</p>	<p><u>TDS Telecom-Concord Telephone Exchange, Inc.</u></p> <p>P.O. Box 22610 701 Concord Road Knoxville, TN 37933-0610 (423) 966-5828 (423) 966-9000 (Fax)</p>	<p><u>TDS Telecom-Humphreys County Telephone Company</u></p> <p>P.O. Box 552 203 Long Street New Johnsonville, TN 37134-0552 (931) 535-2200 (931) 535-3309 (Fax)</p>
<p><u>TDS Telecom-Tellico Telephone Company, Inc.</u></p> <p>P.O. Box 9 102 Spence Street Tellico Plains, TN 37385-0009 (423) 671-4600 (423) 253-7080 (Fax)</p>	<p><u>TDS Telecom-Tennessee Telephone Company</u></p> <p>P.O. Box 18139 Knoxville, TN 37928-2139 (423) 922-3535 (423) 922-9515 (Fax)</p>	<p><u>TEC-Crockett Telephone Company, Inc.</u></p> <p>P.O. Box 7 Friendship, TN 38034 (901) 677-8181</p>
<p><u>TEC-People's Telephone Company, Inc.</u></p> <p>P.O. Box 310 Erin, TN 37061 (931) 289-4221 (931) 289-4220 (Fax)</p>	<p><u>TEC-West Tennessee Telephone Company, Inc.</u></p> <p>P.O. Box 10 244 E. Main Street Bradford, TN 38316 (901) 742-2211 (901) 742-2212 (Fax)</p>	<p><u>United Telephone Company</u></p> <p>P.O. Box 38 120 Taylor Street Chapel Hill, TN 37034 (931) 364-2289 (931) 364-7202 (Fax)</p>

This the 27 day of Sept, 2000.


Lance J.M. Steinhart
Attorney at Law